(Please scan this QR code to view the DRHP)

DRAFT RED HERRING PROSPECTUS
Dated: February 10, 2024
Please read Section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Offer

AKUMS DRUGS AND PHARMACEUTICALS LIMITED

Corporate Identity Number: U24239DL2004PLC125888

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
304, Mohan Place, LSC Saraswati Vihar, Delhi 110 034, India	Akums House, Plot No. 131 to 133, Block C, Mangolpuri Industrial. Area Phase-1, Delhi 110 083, India	Dharamvir Malik *Company Secretary and Compliance Officer*	**Email:** cs@akums.net **Telephone:** + 91 11 6904 1000	www.akums.in

THE PROMOTERS OF OUR COMPANY ARE SANJEEV JAIN, SANDEEP JAIN AND AKUMS MASTER TRUST

DETAILS OF THE OFFER TO THE PUBLIC

TYPE	FRESH ISSUE SIZE	OFFER FOR SALE SIZE	TOTAL OFFER SIZE	ELIGIBILITY AND RESERVATION
Fresh Issue and Offer for Sale	Fresh issue of up to [●] Equity Shares aggregating up to ₹ 6,800 million	Offer for Sale of up to 18,598,365 Equity Shares aggregating up to ₹ [●] million	Up to [●] Equity Shares aggregating up to ₹ [●] million	The Offer is being made in accordance with Regulation 6(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"). For further details, see "*Other Regulatory and Statutory Disclosures – Eligibility for the Offer*" on page 392. For details in relation to share reservation among QIBs, NIBs, RIBs and Eligible Employees, see "*Offer Structure*" on page 411.

DETAILS OF THE OFFER FOR SALE

NAME OF THE SELLING SHAREHOLDER	TYPE	NUMBER OF EQUITY SHARES OFFERED	WEIGHTED AVERAGE COST OF ACQUISITION (IN ₹ PER EQUITY SHARE)*#
Sanjeev Jain	Promoter Selling Shareholder	Up to 2,145,965 Equity Shares aggregating up to ₹ [●] million	0.15
Sandeep Jain	Promoter Selling Shareholder	Up to 2,145,965 Equity Shares aggregating up to ₹ [●] million	0.14
Ruby QC Investment Holdings Pte. Ltd.	Investor Selling Shareholder	Up to 14,306,435 Equity Shares aggregating up to ₹ [●] million	231.64

** As certified by T A M S & CO LLP, Chartered Accountants by way of their certificate dated 10, 2024.*
 # Includes 33,000 Equity Shares held jointly by Sanjeev Jain with Arushi Jain, 5,500 Equity Shares held jointly by Sandeep Jain with Kanishk Jain and 5,500 Equity Shares held joint by Sandeep Jain with Manan Jain

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Share is ₹ 2. The Floor Price, Cap Price and Offer Price determined by our Company, in consultation with the Book Running Lead Managers, in accordance with the SEBI ICDR Regulations), and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process as stated in "*Basis for Offer Price*" on page 106 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, Bidders must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have neither been recommended, nor 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 Bidders is invited to "*Risk Factors*" on page 27.

COMPANY AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

(Please scan this QR code to view the DRHP)

DRAFT RED HERRING PROSPECTUS
Dated: February 10, 2024
Please read Section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Offer

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 the Offer which is material in the context of the 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. Each of the Selling Shareholders, severally and not jointly, accepts responsibility for and confirms the statements expressly and specifically made by them in this Draft Red Herring Prospectus to the extent of information specifically pertaining to them and their respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. Each of the Selling Shareholders, severally and not jointly, assumes no responsibility, for any other statement in this Draft Red Herring Prospectus, including, inter alia, any of the statements made by or relating to our Company or any other Selling Shareholder or any other persons(s).

LISTING

The Equity Shares that will be offered through the Red Herring Prospectus are proposed to be listed on the BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**"). For the purposes of the Offer, [●] is the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS

Names and Logos of the Book Running Lead Managers	Contact Person	E-mail and Telephone
ICICI Securities Limited	Namrata Ravasia / Harsh Thakkar	**E-mail:** akums.ipo@icicisecurities.com **Tel:** +91 22 6807 7100
Axis Capital Limited	Akash Aggarwal / Jigar Jain	**E-mail:** akums.ipo@axiscap.in **Tel:** +91 22 4325 2183
Citigroup Global Markets India Private Limited	Abhishek Mawandiya	**E-mail:** akums.ipo@citi.com **Tel:** +91 22 6175 9999
Ambit Private Limited	Siddhesh Deshmukh	**E-mail:** akums.ipo@ambit.co **Tel:** +91 22 6623 3030

REGISTRAR TO THE OFFER

Name of the Registrar	Contact Person	E-mail and Telephone
Link Intime India Private Limited	Shanti Gopalkrishnan	**E-mail:** akumsdrugs.ipo@linkintime.co.in **Tel:** +91 810 811 4949

BID/ OFFER PERIOD

ANCHOR INVESTOR BID/ OFFER PERIOD OPENS AND CLOSES ON*	**[●]***	**BID/ OFFER OPENS ON**	**[●]**	**BID/ OFFER CLOSES ON****	**[●]*****

* *Our Company, in consultation with the Book Running Lead Managers, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date.*

** *Our Company, in consultation with the Book Running Lead Managers, may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.*

****The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Offer Closing Day.*

DRAFT RED HERRING PROSPECTUS
Dated: February 10, 2024
Please read Section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Offer

Akums

AKUMS DRUGS AND PHARMACEUTICALS LIMITED

Our Company was incorporated as a public company, limited by shares, under the Companies Act, 1956, as amended, in the name of 'Akums Drugs and Pharmaceuticals Limited', pursuant to a certificate of incorporation dated April 19, 2004 issued by the Registrar of Companies, Delhi and Haryana in New Delhi ("**RoC**"). Our Company received a certificate of commencement of business issued by the RoC dated May 13, 2004.

Registered Office: 304, Mohan Place, LSC Saraswati Vihar, Delhi – 110 034, India
Corporate Office: Plot no. 131 to 133, Block C, Mangolpuri, Ind. Area, Phase 1, Delhi – 110 083, India
Telephone: + 91 11 6904 1000; **Contact person:** Dharamvir Malik, Company Secretary and Compliance Officer
E-mail: cs@akums.net; **Website:** www.akums.in; **Corporate Identity Number:** U24239DL2004PLC125888

THE PROMOTERS OF OUR COMPANY ARE SANJEEV JAIN, SANDEEP JAIN AND AKUMS MASTER TRUST

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH ("EQUITY SHARES") OF AKUMS DRUGS AND PHARMACEUTICALS LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 6,800 MILLION BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 18,598,365 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION ("OFFERED SHARES") BY THE SELLING SHAREHOLDERS, COMPRISING UP TO 2,145,965 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY SANJEEV JAIN, UP TO 2,145,965 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY SANDEEP JAIN (TOGETHER THE "PROMOTER SELLING SHAREHOLDERS") AND UP TO 14,306,435 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY RUBY QC INVESTMENT HOLDINGS PTE. LTD. (THE "INVESTOR SELLING SHAREHOLDER") (THE PROMOTER SELLING SHAREHOLDERS AND THE INVESTOR SELLING SHAREHOLDER, COLLECTIVELY REFERRED TO AS THE "SELLING SHAREHOLDERS") ("OFFER FOR SALE", TOGETHER WITH THE FRESH ISSUE, THE "OFFER").

THIS OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER WILL CONSTITUTE [●]% AND [●]% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL, RESPECTIVELY.

OUR COMPANY, IN CONSULTATION WITH THE BRLMs, MAY CONSIDER A PRIVATE PLACEMENT OF UP TO 20% OF THE FRESH ISSUE OR SUCH OTHER AMOUNT AS MAY BE ALLOWED UNDER APPLICABLE LAW FOR CASH CONSIDERATION AGGREGATING UP TO ₹ 1,360 MILLION, PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC. THE PRE-IPO PLACEMENT, IF UNDERTAKEN, WILL BE AT A PRICE TO BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BRLMs. IF THE PRE-IPO PLACEMENT IS UNDERTAKEN, THE MINIMUM OFFER SIZE (COMPRISING THE FRESH ISSUE SO REDUCED BY THE AMOUNT RAISED FROM THE PRE-IPO PLACEMENT, AND THE OFFER FOR SALE) SHALL CONSTITUTE AT LEAST 10% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF EQUITY SHARES IS ₹ 2 EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND WILL BE ADVERTISED IN ALL EDITIONS OF [●], AN ENGLISH NATIONAL DAILY NEWSPAPER AND ALL EDITIONS OF [●], A HINDI NATIONAL DAILY NEWSPAPER (HINDI ALSO BEING THE REGIONAL LANGUAGE OF DELHI, WHERE OUR REGISTERED OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE AND NSE (TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

In case of any revision to the Price Band, the Bid/ Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company, in consultation with the Book Running Lead Managers, for reasons to be recorded in writing, may extend the Bid/ Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and by intimation to Self-Certified Syndicate Banks ("**SCSBs**"), other Designated Intermediaries and the Sponsor Banks, as applicable.

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") ("**QIB Portion**"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price ("**Anchor Investor Portion**"), in accordance with the SEBI ICDR Regulations. 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, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors) including Mutual Funds, subject to valid Bids being received 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 QIB Portion for proportionate allocation to QIBs. Further, not more than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two third of such portion shall be reserved for applicants with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders and not more than 10% of the Net Offer shall be available for allocation to Retail Individual Bidders, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them at or above the Offer Price. All Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective ASBA accounts and UPI ID (in case of UPI Bidders) (*as defined hereinafter*), in which case the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or under the UPI Mechanism, as applicable to participate in the Issue. Anchor Investors are not permitted to participate in the Anchor Investor Portion of the Offer through the ASBA process. For details, see "*Offer Procedure*" on page 415.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Share is ₹ 2. The Floor Price, Cap Price and Offer Price (determined by our Company, in consultation with the Book Running Lead Managers, in accordance with the SEBI ICDR Regulations), and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process as stated in "*Basis for Offer Price*" on page 106 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, Bidders must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have neither been recommended, nor approved by the SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the Bidders is invited to "*Risk Factors*" on page 27.

ISSUER'S AND THE 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 the Offer, which is material in the context of the 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. Each of the Selling Shareholders, severally and not jointly, accepts responsibility for and confirms only the statements expressly and specifically made by them in this Draft Red Herring Prospectus to the extent of information specifically pertaining to them and their respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. Each of the Selling Shareholders, severally and not jointly, assumes no responsibility, for any other statement in this Draft Red Herring Prospectus, including, *inter alia*, any of the statements made by or relating to our Company or any other Selling Shareholder or any other persons(s).

LISTING

The Equity Shares that will be offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered to the RoC for filing. For details of the material contracts and documents that will be available for inspection from the date of the Red Herring Prospectus up to the Bid/ Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 449.

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE OFFER
ICICI Securities	AXIS CAPITAL	citi	AMBIT Acumen at work	LINK Intime
ICICI Securities Limited ICICI Venture House Appasaheb Marathe Marg Prabhadevi Mumbai 400 025 Maharashtra, India **Tel:** +91 22 6807 7100 **E-mail:** akums.ipo@icicisecurities.com **Investor grievance e-mail:** customercare@icicisecurities.com **Website:** www.icicisecurities.com **Contact Person:** Namrata Ravasia / Harsh Thakkar **SEBI Registration No.:** INM000011179	**Axis Capital Limited** 1st Floor, Axis House C-2 Wadia International Centre Pandurang Budhkar Marg Worli, Mumbai 400 025 Maharashtra, India **Tel:** +91 22 4325 2183 **E-mail:** akums.ipo@axiscap.in **Investor grievance e-mail:** complaints@axiscap.in **Website:** www.axiscapital.co.in **Contact Person:** Akash Aggarwal / Jigar Jain **SEBI Registration No.:** INM000012029	**Citigroup Global Markets India Private Limited** 1202, 12th Floor First International Financial Centre G-Block, Bandra Kurla Complex Bandra (East), Mumbai – 400 098 Maharashtra, India **Tel:** +91 22 6175 9999 **E-mail:** akums.ipo@citi.com **Website:** www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm **Investor Grievance ID:** investors.cgmib@citi.com **Contact Person:** Abhishek Mawandiya **SEBI Registration Number:** INM000010718	**Ambit Private Limited** Ambit House, 449, Senapati Bapat Marg Lower Parel, Mumbai 400 013 Maharashtra, India **Tel:** + 91 22 6623 3030 **E-mail:** akums.ipo@ambit.co **Investor Grievance E-mail:** customerservicemb@ambit.co **Website:** www.ambit.co **Contact person:** Siddhesh Deshmukh **SEBI registration number:** INM000010585	**Link Intime India Private Limited** C-101, 1st Floor 247 Park Lal Bahadur Shastri Marg Vikhroli (West) Mumbai 400 083 Maharashtra, India **Tel:** +91 810 811 4949 **E-mail**: akumsdrugs.ipo@linkintime.co.in **Website**: www.linkintime.co.in **Investor Grievance ID:** akumsdrugs.ipo@linkintime.co.in **Contact Person:** Shanti Gopalkrishnan **SEBI Registration Number:** INR000004058

BID/ OFFER PROGRAMME	
BID/ OFFER OPENS ON*	[●]
BID/ OFFER CLOSES ON**	[●]***

* *Our Company, in consultation with the Book Running Lead Managers, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date.*

** *Our Company, in consultation with the Book Running Lead Managers, may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.*

****The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Offer Closing Day.*

(*This page is intentionally left blank)*

TABLE OF CONTENTS

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislations, acts, regulations, rules, guidelines, circulars, notifications, clarifications, directions, or policies shall be to such legislations, acts, regulations, rules, guidelines, circulars, notifications, clarifications, directions, or policies as amended, updated, supplemented, re-enacted or modified, from time to time, and any reference to a statutory provision shall include any subordinate legislation made, from time to time, under such provision.

The words and expressions used in this Draft Red Herring Prospectus, but not defined herein shall have the meaning ascribed to such terms under the SEBI ICDR Regulations, the SEBI Act, the Companies Act, the SCRA, the Depositories Act and the rules and regulations notified thereunder, as applicable.

*The terms not defined herein but used in "**Statement of Special Tax Benefits**", "**Industry Overview**", "**Key Regulations and Policies in India**", "**Basis for Offer Price**", "**History and Certain Corporate Matters**", "**Restated Consolidated Financial Information**", "**Outstanding Litigation and Material Developments**", "**Offer Procedure**", and "**Description of Equity Shares and Terms of the Articles of Association**" on pages 115, 128, 194, 106, 204, 244, 362, 415, and 434, respectively, shall have the meanings ascribed to such terms in these respective sections.*

General Terms

Term	Description
"our Company"/ "the Company", "the Issuer"	Akums Drugs and Pharmaceuticals Limited, a public limited company incorporated under the Companies Act, 1956 with its registered office at 304, Mohan Place, LSC Saraswati Vihar, Delhi – 110 034, India and corporate office at Akums House, Plot No. 131 to 133, Block C, Mangolpuri, Industrial Area, Phase 1, Delhi – 110 083, India
"we"/ "us" / "our" / "Group"	Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries and an erstwhile associate, on a consolidated basis as at and during the relevant period/ Fiscal Year

Company Related Terms

Term	Description
AHCL	Akums Healthcare Limited
AHL	Akumentis Healthcare Limited
ALL	Akums Lifesciences Limited
"Articles of Association", "AoA" or "Articles"	Articles of association of our Company, as amended from time to time
Audit Committee	The audit committee of our Board, as described in "***Our Management - Committees of the Board – Audit Committee***" on page 225
"Board" or "Board of Directors"	The board of directors of our Company, as described in "***Our Management***" beginning on page 219
Chief Financial Officer	Sumeet Sood, the chief financial officer of our Company
Committee(s)	Duly constituted committee(s) of our Board
Company Secretary and Compliance Officer	Dharamvir Malik, the company secretary and compliance officer of our Company
Corporate Office	Akums House, Plot No. 131 to 133, Block C, Mangolpuri Industrial Area, Phase1, Delhi - 110 083, India
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board, as described in "***Our Management - Committees of the Board – Corporate Social Responsibility Committee***" on page 230
Director(s)	The directors on our Board. For details see, "***Our Management***" on page 219
ESOP 2022	Akums Employee Stock Scheme 2022
ESOP Trust	Akums Employees Benefit Trust
Equity Shares	Equity shares of face value of ₹ 2 each of our Company
Executive Director(s)/ Whole-time Director(s)	Executive director(s) of our Company. For further details of our Executive Directors, see "***Our Management***" on page 219
F&S	Frost & Sullivan (India) Private Limited
"F&S Report" or "Industry Report"	The report titled "*Independent Market Research on the Overview of the Global and Indian Contract*

Term	Description
	Development & Manufacturing Organization Industry" dated February 8, 2024, prepared and issued by F&S, which has been commissioned by and paid for by our Company exclusively for the purposes of the Offer, pursuant to engagement letter dated October 7, 2023
"Independent Chartered Accountant" or "ICA"	T A M S & CO LLP, Chartered Accountants
Independent Directors	The independent directors of our Company, appointed as per the Companies Act, 2013 and the SEBI Listing Regulations. For further details of our Independent Directors, see "***Our Management***" on page 219
"Key Managerial Personnel" or "KMP"	The key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, as described in "***Our Management***" beginning on page 219
Materiality Policy	The policy adopted by our Board on January 17, 2024 for identification of group companies, material outstanding litigation, and outstanding dues to material creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations
Material Subsidiaries	Collectively, AHL, ALL*, MLPL, MNL, PCHL, in terms of Regulation 16 of SEBI Listing Regulations. Solely for the purposes of disclosures in "*Government and Other Approvals*" section, such subsidiaries of our Company have been identified as material subsidiaries which are material in terms of (i) the definition of 'material subsidiary' stipulated under Regulation 16(1)(c) of the SEBI Listing Regulations, and (ii) the requirements specified under paragraph 11 (Financial Statements), I(A)(ii)(b) of Schedule VI of the SEBI ICDR Regulations. **ALL has been merged with PCHL with effect from April 1, 2022.*
"Memorandum of Association" or "MoA"	The memorandum of association of our Company, as amended from time to time
MLPL	Malik Lifesciences Private Limited
MNL	Maxcure Nutravedics Limited
NHL	Nicholas Healthcare Limited
"Nomination and Remuneration Committee" or "NRC Committee"	The nomination and remuneration committee of our Board, as described in "***Our Management - Committees of the Board - Nomination and Remuneration Committee***" on page 227
Non-Executive Director(s)	Non-executive director(s) of our Company. For further details of our Non-executive Directors, see "***Our Management***" on page 219
PCHL	Pure and Cure Healthcare Private Limited
PPL	Plenteous Pharmaceuticals Limited
Promoters	Sanjeev Jain, Sandeep Jain and Akums Master Trust
Promoter Group	Individuals and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as described in "***Our Promoters and Promoter Group***" on page 237
Promoter Trust	Akums Master Trust
Registered Office	304, Mohan Place, LSC Saraswati Vihar, Delhi – 110 034, India
"Registrar of Companies" or "RoC"	The Registrar of Companies, Delhi and Haryana at New Delhi
Restated Consolidated Financial Information	Restated consolidated financial information of our Company, our Subsidiaries and our erstwhile associate as at and for the six months period ended September 30, 2023 and September 30, 2022 and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 comprising the restated consolidated statement of assets and liabilities as at September 30, 2023 and September 30, 2022 and as at March 31, 2023, March 31, 2022 and March 31, 2021, the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity, the restated consolidated statement of cash flow, for the six months period ended September 30, 2023 and September 30, 2022 and each for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, the notes, comprising material accounting policies and other explanatory information, prepared as per the requirement of Section 26 of Part I of Chapter III of the Companies Act, 2013, SEBI ICDR Regulations, as amended and the Guidance Note on 'Reports in Company Prospectuses (Revised 2019)' issued by the Institute of Chartered Accountants of India, as amended from time to time, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended to date; and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended from time to time.
Risk Management Committee	The risk management committee as described in "***Our Management - Committees of the Board – Risk Management Committee***" on page 229
Shareholder(s)	The shareholder(s) of our Company from time to time

Term	Description
Stakeholders' Relationship Committee	The stakeholders' relationship committee as described in "***Our Management - Committees of the Board – Stakeholders' Relationship Committee***" on page 229
"Statutory Auditors" or "Auditors"	Walker Chandiok & Co LLP, Chartered Accountants, the statutory auditors of our Company
SHA	Shareholders' agreement dated October 3, 2019 entered into by and among our Company, Sandeep Jain, Sanjeev Jain, and Ruby QC Investment Holdings Pte. Ltd. read with the Waiver cum Amendment Agreement dated February 9, 2024 to the SHA, entered into by and among our Company, Sandeep Jain, Sanjeev Jain, and Ruby QC Investment Holdings Pte. Ltd.
SHA Parties	Our Company, Sandeep Jain, Sanjeev Jain, and Ruby QC Investment Holdings Pte. Ltd.
"Senior Management Personnel" or "SMP"	The senior management personnel of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations, as disclosed in "***Our Management***" beginning on page 219
SPL	Sarvagunaushdhi Private Limited
SSPA	Share Subscription and Purchase Agreement dated October 3, 2019 entered into by and among our Company, Sandeep Jain, Sanjeev Jain, and Ruby QC Investment Holdings Pte. Ltd.
"Subsidiary" or "our Subsidiary" or "Subsidiaries"	The subsidiaries of our Company are as disclosed in "***History and Certain Corporate Matters – Our Subsidiaries***" on page 208. In addition to the above, Upadhrish Reserchem LLP is accounted for as a subsidiary in accordance with Ind AS 110 in the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus. Since this entity is a limited liability partnership firm, it is not a "subsidiary" as defined under the Companies Act, 2013.

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
"Allot" or "Allotment" or "Allotted"	Unless the context otherwise requires, allotment (in case of the Fresh Issue) or transfer (in case of the Offered Shares pursuant to the Offer for Sale), of the Equity Shares pursuant to the Offer to the successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to all the Bidders who have Bid in the Offer after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Ambit	Ambit Private Limited
Anchor Investor	A QIB, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹ 100 million
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company, in consultation with the Book Running Lead Managers
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion in accordance with the requirements specified under the SEBI ICDR Regulations and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus
"Anchor Investor Bid/Offer Period"	One Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the Book Running Lead Managers will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company in consultation with the Book Running Lead Managers, in terms of the Red Herring Prospectus and the Prospectus
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), the Anchor Investor Bid/ Offer Period, and in the event the Anchor Investor Allocation Price is lower than the Anchor Investor Offer Price, not later than two Working Days after the Bid/ Offer Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the Book Running Lead Managers, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations.

Term	Description
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders, to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account and will include amounts blocked by the SCSB upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism
ASBA Account	A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the amount specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a UPI Bidder linked to a UPI ID, which will be blocked by the SCSB upon acceptance of the UPI Mandate Request in relation to a Bid by a UPI Bidder Bidding through the UPI Mechanism
"ASBA Bidders" or "ASBA Bidder"	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Axis	Axis Capital Limited
Banker(s) to the Offer	Collectively, the Escrow Collection Bank, Refund Bank, Public Offer Account Bank and Sponsor Banks, as the case maybe
Basis of Allotment	The basis on which Equity Shares will be Allotted to successful Bidders under the Offer. For further details, see "*Offer Procedure*" on page 415
Bid	An indication to make an offer during the Bid/ Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Offer Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case may be, upon submission of the Bid. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000. Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000. However, RIBs can apply at the Cut-off Price and the Bid amount shall be Cap Price, multiplied by the number of Equity Shares Bid for by such RIBs mentioned in the Bid cum Application Form.
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/ Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be published in all editions of [●], an English national daily newspaper, all editions of [●] and a Hindi national daily newspaper (Hindi also being the regional language of Delhi, where our Registered Office is located), each with wide circulation. Our Company, in consultation with the Book Running Lead Managers, may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the revised Bid/ Offer Closing Date shall be notified on the websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Banks, and shall also be notified in an advertisement in the same newspapers in which the Bid/ Offer Opening Date will be published
Bid/ Offer Period	Except in relation to Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations, provided that such period shall be kept open for a minimum of three Working Days. Our Company, in consultation with the Book Running Lead Managers, may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations
"Bidder" or "Applicant"	Any 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, which includes an ASBA Bidder and an Anchor Investor
Bidding Centres	The centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, being the Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made

Term	Description
"Book Running Lead Managers" or "BRLMs"	The book running lead managers to the Offer, namely, I-Sec, Axis, Citi and Ambit
Broker Centres	The broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and the contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
"Confirmation of Allocation Note" or "CAN"	A notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated Equity Shares, after the Anchor Investor Bid/ Offer Period
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Offer Price and Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted. The Cap Price shall be at least 105% of the Floor Price
Cash Escrow and Sponsor Banks Agreement	The cash escrow and sponsor banks agreement to be entered into between and amongst our Company, the Selling Shareholders, the Book Running Lead Managers, the Registrar to the Offer, the Banker(s) to the Offer and the Syndicate Members for, inter alia, collection of the Bid Amounts from the Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from the Anchor Investors, on the terms and conditions thereof, in accordance with the UPI Circulars
Citi	Citigroup Global Markets India Private Limited
Client ID	The client identification number maintained with one of the Depositories in relation to dematerialized account
"Collecting Depository Participant" or "CDP"	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids from relevant Bidders at the Designated CDP Locations in terms of SEBI circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 as per the list available on the respective websites of the Stock Exchanges, as updated from time to time
Cut-off Price	The Offer Price finalised by our Company, in consultation with the Book Running Lead Managers which shall be any price within the Price Band Only RIBs in the Retail Portion and Eligible Employees (subject to the Bid Amount being ₹200,000) are entitled to Bid at the Cut-off Price. QIBs (including the Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	The demographic details of the Bidders including the Bidders' address, name of the Bidders' father or husband, investor status, occupation, bank account details, PAN and UPI ID, where applicable
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms from relevant Bidders, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where relevant ASBA Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Public Offer Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of UPI Bidders using UPI Mechanism, instruction issued through the Sponsor Bank(s)) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account, in terms of the Red Herring Prospectus and the Prospectus, following which the Equity Shares will be Allotted in the Offer
Designated Intermediary(ies)	Collectively, the members of the Syndicate, sub-syndicate or agents, SCSBs (other than in relation to RIBs using the UPI Mechanism), Registered Brokers, CDPs and RTAs, who are authorised to collect Bid cum Application Forms from the relevant Bidders, in relation to the Offer. In relation to ASBA Forms submitted by RIBs and HNIs bidding with an application size of ₹ 0.50 million (not using UPI Mechanism) by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidder using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders (not using the UPI Mechanism), Designated Intermediaries shall mean Syndicate, sub-syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs
Designated RTA Locations	Such locations of the RTAs where relevant ASBA Bidders can submit the ASBA Forms to RTAs.

Term	Description
	The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	[●]
"Draft Red Herring Prospectus" or "DRHP"	This draft red herring prospectus dated February 10, 2024 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto
Eligible Employees	Permanent employees, working in India or outside India (excluding such employees who are not eligible to invest in the Offer under applicable laws), of our Company or our Subsidiaries; or a Director of our Company, whether whole-time or not, as on the date of the filing of the Red Herring Prospectus with the RoC and on date of submission of the Bid cum Application Form, but not including (i) Promoters; (ii) persons belonging to the Promoter Group; or (iii) Directors who either themselves or through their relatives or through any body corporate, directly or indirectly, hold more than 10% of the outstanding Equity Shares of our Company. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000. Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000
Employee Reservation Portion	The portion of the Offer being up to [●] Equity Shares aggregating ₹ [●] million which shall not exceed 5% of the post-Offer Equity Share capital of our Company, available for allocation to Eligible Employees, on a proportionate basis
Eligible FPI(s)	FPI(s) from such jurisdictions outside India where it is not unlawful to make an offer/ invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares
Eligible NRI(s)	NRI(s) eligible to invest under Schedule 3 and Schedule 4 of the FEMA NDI Rules, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to subscribe to or purchase the Equity Shares
Escrow Account(s)	The 'no-lien' and 'non-interest bearing' account(s) to be opened with the Escrow Collection Bank and in whose favour the Bidders (excluding the ASBA Bidders) will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	Bank(s), which are clearing members and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Escrow Account(s) will be opened, in this case being, [●]
"First Bidder" or "Sole Bidder"	The Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name also appears as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, not being less than the face value of the Equity Shares, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fraudulent Borrower	A company or person, as the case may be, categorised as a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on fraudulent borrowers issued by the RBI
Fresh Issue	Fresh issue of up to [●] Equity Shares aggregating up to ₹ 6,800 million by our Company. Our Company, in consultation with the BRLMs, may consider a private placement of up to 20% of the Fresh Issue or such other amount as may be allowed under applicable law for cash consideration aggregating up to ₹ 1,360 million, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is undertaken, the minimum Offer size (comprising the Fresh Issue so reduced by the amount raised from the Pre-IPO Placement, and the Offer for Sale) shall constitute at least 10% of the post-Offer paid-up Equity Share capital of our Company
General Information Document or GID	The General Information Document for investing in public issues, prepared and issued in accordance with the SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020, suitably modified and updated pursuant to, among others, the SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020
Gross Proceeds	The gross proceeds of the Fresh Issue that will be available to our Company
"Investor" or "Investor Selling Shareholder"	Ruby QC Investment Holdings Pte. Ltd.
I-Sec	ICICI Securities Limited
Monitoring Agency	[●]

Term	Description
Monitoring Agency Agreement	The agreement to be entered into between and amongst our Company and the Monitoring Agency
Mutual Fund Portion	Up to 5% of the Net QIB Portion or [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Net Offer	The Offer, less the Employee Reservation Portion
Net Proceeds	Gross Proceeds less our Company's share of the Offer expenses. For further details, see "*Objects of the Offer*" on page 89
Net QIB Portion	The QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
"Non-Institutional Bidders" or "NIBs"	All Bidders 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 Portion	The portion of the Offer being not more than 15% of the Net Offer comprising [●] Equity Shares which shall be available for allocation to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price, in the following manner: (a) one third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than ₹ 200,000 and up to ₹ 1.00 million; (b) two third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than ₹ 1.00 million: Provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of non-institutional investors
Offer	The initial public offer of up to [●] Equity Shares of face value of ₹ 2 each for cash at a price of ₹ [●] each (including a share premium of ₹ [●] per Equity Share), aggregating up to ₹ [●] million, comprising the Net Offer and the Employee Reservation Portion
Offer Agreement	The offer agreement dated February 10, 2024 entered into between and amongst our Company, the Selling Shareholders, and the Book Running Lead Managers, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	Offer for Sale of up to 18,598,365 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders
Offer Price	The final price at which Equity Shares will be Allotted to ASBA Bidders in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price, in terms of the Red Herring Prospectus. The Offer Price will be decided by our Company, in consultation with the Book Running Lead Managers, on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale (net of their proportion of Offer-related expenses and the relevant taxes thereon) which shall be available to the Selling Shareholders. For further details on the use of Offer Proceeds from the Fresh Issue, see "*Objects of the Offer*" on page 89
Offered Shares	Up to 18,598,365 Equity Shares aggregating up to ₹ [●] million offered by the Selling Shareholders in the Offer for Sale
Pre-IPO Placement	The private placement of up to 20% of the Fresh Issue or such other amount as may be allowed under applicable law for cash consideration aggregating up to ₹ 1,360 million, which may be undertaken by our Company, in consultation with the BRLMs, to be completed prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. In the event such private placement is completed, the relevant details will be included in the Red Herring Prospectus. If the Pre-IPO Placement is undertaken, the minimum Offer size (comprising the Fresh Issue so reduced by the amount raised from the Pre-IPO Placement, and the Offer for Sale) shall constitute at least 10% of the post-Offer paid-up Equity Share capital of our Company
Price Band	The price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including revisions thereof. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company, in consultation with the Book Running Lead Managers and will be advertised in all editions of [●], an English national daily newspaper, all editions of [●] and a Hindi national daily newspaper (Hindi also being the regional language of Delhi, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/ Offer Opening Date and shall be available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	The date on which our Company, in consultation with the Book Running Lead Managers, will finalise the Offer Price
Promoter Selling Shareholders	Sanjeev Jain and Sandeep Jain

Term	Description
Prospectus	The prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013 and the SEBI ICDR Regulations containing, inter alia, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information including any addenda or corrigenda thereto
Public Offer Account	The 'no-lien' and 'non-interest bearing' account to be opened, in accordance with Section 40(3) of the Companies Act, 2013 with the Public Offer Account Bank to receive monies from the Escrow Account and the ASBA Accounts on the Designated Date
Public Offer Account Bank(s)	Bank(s) which are a clearing member and registered with SEBI as a banker to an issue, and with whom the Public Offer Account for collection of Bid Amounts from Escrow Accounts and ASBA Accounts will be opened, in this case being [●]
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not less than 75% of the Net Offer consisting of [●] Equity Shares which shall be available for allocation to QIBs (including Anchor Investors), subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price (for Anchor Investors)
"QIBs" or "QIB Bidders" or "Qualified Institutional Buyers"	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
"Red Herring Prospectus" or "RHP"	The red herring prospectus to be issued by our Company in accordance with Section 32 of the Companies Act, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto. The Bid/ Offer Opening Date shall be at least three Working Days after the filing of the Red Herring Prospectus with the RoC and will become the Prospectus upon filing with the RoC on or after the Pricing Date
Refund Account(s)	The 'no-lien' and 'non-interest bearing' account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made
Refund Bank(s)	The Banker(s) to the Offer which are a clearing member and registered with SEBI as a banker to an issue, and with whom the Refund Account(s) will be opened and in this case being, [●]
Registered Brokers	The stock brokers registered under SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992, as amended with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids from relevant Bidders in terms of SEBI circular number CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	The registrar agreement dated February 9, 2024 entered into between and amongst our Company, the Selling Shareholders, and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
"Registrar to the Offer" or "Registrar"	Link Intime India Private Limited
"Retail Individual Bidder(s)" or "Retail Individual Investor(s)" or "RII(s)" or "RIB(s)"	Resident Indian individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹ 200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta) and Eligible NRIs
Retail Portion	Portion of the Offer being not more than 10% of the Net Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders (subject to valid Bids being received at or above the Offer Price)
Revision Form	The form used by Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Bidders are not allowed to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. RIBs can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/ Offer Closing Date
"RTAs" or "Registrar and Share Transfer Agents"	The registrar and share transfer agents registered with SEBI and eligible to procure Bids from relevant Bidders at the Designated RTA Locations in terms of SEBI circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI and available on the websites of the Stock Exchanges at www.nseindia.com and www.bseindia.com
SCORES	SEBI Complaints Redress System, a centralized web based complaints redressal system launched by SEBI
"Self Certified Syndicate Bank(s)" or "SCSB(s)"	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI Mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time.

Term	Description
	In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time. Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile applications, which, are live for applying in public issues using UPI mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The list is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time
Selling Shareholders	Collectively, the Promoter Selling Shareholders and the Investor Selling Shareholder
Share Escrow Agent	The share escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●]
Share Escrow Agreement	The share escrow agreement to be entered into between and amongst our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer for Sale by the Selling Shareholders and credit of such Equity Shares to the demat accounts of the Allottees in accordance with the Basis of Allotment
Specified Locations	The Bidding centres where the Syndicate shall accept Bid cum Application Forms from relevant Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in), and updated from time to time
Sponsor Bank(s)	[●] and [●] being Bankers to the Offer registered with SEBI, appointed by our Company to act as conduits between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the UPI Bidders using the UPI Mechanism, in terms of the UPI Circulars
Syndicate Agreement	The syndicate agreement to be entered into between and amongst our Company, the Selling Shareholders, the Registrar and the members of the Syndicate in relation to collection of Bid cum Application Forms by the Syndicate
Syndicate Members	The intermediaries (other than the Book Running Lead Managers) registered with SEBI who are permitted to carry out activities as an underwriter, namely [●]
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the Book Running Lead Managers and the Syndicate Members, to collect ASBA Forms and Revision Forms
"Syndicate" or "members of the Syndicate"	Together, collectively, the Book Running Lead Managers and the Syndicate Members
Underwriters	[●]
Underwriting Agreement	The underwriting agreement to be entered into between and amongst our Company, the Selling Shareholders, and the Underwriters, on or after the Pricing Date, but prior to filing the Prospectus with the RoC
UPI	Unified payments interface which is an instant payment mechanism, developed by NPCI
UPI Bidders	Collectively, individual investors applying as (i) RIBs in the Retail Portion, and (ii) Non-Institutional Bidders with an application size of up to ₹ 0.50 million in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹ 500,000 using UPI Mechanism, shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, read along with SEBI RTA Master

Term	Description
	Circular, SEBI circular no. CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI master circular with circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent that such circulars pertain to the UPI Mechanism), SEBI master circular with circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, and any subsequent circulars or notifications issued by SEBI in this regard, along with the circulars issued by the Stock Exchanges in this regard, including the circular issued by the NSE having reference no. 25/2022 dated August 3, 2022, and the circular issued by BSE having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI application and by way of a SMS for directing the UPI Bidder to such UPI mobile application) to the UPI Bidder initiated by the Sponsor Banks to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	Process for applications by UPI Bidders submitted with intermediaries with UPI as mode of payment, in terms of the UPI Circulars
UPI PIN	A password to authenticate a UPI transaction
Working Day	All days on which commercial banks in Mumbai are open for business, provided however, for the purpose of announcement of the Price Band and the Bid/ Offer Period, “Working Day” shall mean all days, excluding all Saturdays, Sundays and public holidays on which commercial banks in Mumbai, India are open for business and the time period between the Bid/ Offer Closing Date and listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of the Stock Exchanges excluding Sundays and bank holidays in India in accordance with circulars issued by SEBI

Technical, Industry related Terms or Abbreviations

Term	Description
AB-PMJAY	Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana
ADC	Antibody Drug Conjugate
ANDA	Abbreviated New Drug Application
APAC	Asia Pacific
API	Active Pharmaceutical Ingredient
ASEAN	Association of Southeast Asian Nations
AT&M	Alimentary Tract and Metabolism
BER	Business Environment Rankings
BLA	Biologics License Application
BRICS	Brazil, Russia, India, China, and South Africa
CDMO	Contract Development and Manufacturing Organization
CDSCO	Central Drug Standard Control Organization
CHE	Current Healthcare Expenditure
CNS	Central Nervous System
CRAMS	Contract Research and Manufacturing Services
CRO	Contract Research Organization
CVS	Cardiovascular
EIU	Economist Intelligence Unit
EMA	European Medicine Agency
ESG	Environmental, Social, and Governance
EU GMP	European Union Good Manufacturing Practice
FDA	Food and Drug Administration
GATT	General Agreement on Trade and Tariffs in 1995 and becoming fully
GDP	Gross Domestic Product
GDUFA	Generic Drug User Fee Amendments
GI	Gastro-intestinal

Term	Description
GMP	Good Manufacturing Process
GU	Genitourinary
HPAPI	Highly Potent Active Pharmaceutical Ingredient
IPFC	Investment Promotion & Facilitation Centre
IPM	India Pharma Market
ISO	International Standardization Organization
KSM	Key Starting Materials
MNC	Multinational Company
NDA	New Drug Application
NDDS	New Drug Delivery Systems
NME	New Molecular Entity
NMP	National Master Plan
NPPA	National Pharmaceutical Pricing Authority
NSIPI	NCAER-State Investment Potential Index
OAI	Official Action Indicated
OOP	Out of Pocket
OTC	Over the Counter
PLI	Production-Linked Incentive
PMBJP	Pradhan Mantri Bhartiya Janaushadi Pariyojana
PQR	Product Quality Review
PQS	Pharmaceutical Quality System
QRM	Quality Risk Management
R&D	Research and Development
RNA	Ribonucleic Acid
RoW	Rest of the World
SAI	Systemic Anti-Infectives
SFDA	Saudi Food and Drug Authority
STEM	Science, Technology, Engineering, and Mathematics
TAM	Total Addressable Market
TRIPS	Trade-Related Intellectual Property Rights
US NSF	United States National Sanitation Foundation International
WHO	World Health Organization
WHO GMP	World Health Organization Good Manufacturing Practice

Conventional and General Terms or Abbreviations

Term	Description
"₹", "Rs.", "Rupees" or "INR"	Indian Rupees
AIFs	Alternative Investments Funds, as defined in, and registered under the SEBI AIF Regulations
AGM	Annual general meeting
BSE	BSE Limited
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as "Category I Foreign Portfolio Investors" under the SEBI FPI Regulations
Category II FPIs	FPIs who are registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations
CAGR	Compound annual growth rate

Term	Description
CBDT	Central Board of Direct Taxes
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
"Companies Act" or "Companies Act, 2013"	Companies Act, 2013, as amended, along with the relevant rules made thereunder
Consolidated FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020 effective from October 15, 2020
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996, as amended
DGFT	Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of India
DIN	Director Identification Number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
DP ID	Depository Participant's Identification
DP or Depository Participant	A depository participant as defined under the Depositories Act
EGM	Extraordinary general meeting
EPS	Earnings per share
FCNR	Foreign Currency Non-Resident
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
"FEMA Non-debt Instruments Rules" or "FEMA NDI Rules"	Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended
FEMA Regulations	FEMA Non-debt Instruments Rules, the Foreign Exchange Management (Mode of Payment and Reporting of Non debt Instruments) Regulations, 2019 and the Foreign Exchange Management (Debt Instruments) Regulations, 2019, as applicable
"Financial Year", "Fiscal" or "Fiscal Year" or "FY"	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018, as amended
FVCI(s)	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
GDP	Gross domestic product
"GoI" or "Government" or "Central Government"	Government of India
GST	Goods and services tax
HUF	Hindu Undivided Family
IBC 2016	The Insolvency and Bankruptcy Code, 2016
ICAI	The Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards, as issued by the International Accounting Standards Board
Ind AS 24	Indian Accounting Standard 24- Related Party Disclosures
Ind AS 34	Indian Accounting Standard 34 – Interim Financial reporting
Ind AS 37	Indian Accounting Standard 37- Provisions, Contingent Liabilities and Contingent Assets
"Ind AS" or "Indian Accounting Standards"	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013
India	Republic of India
Indian GAAP/ IGAAP	Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014, as amended and Companies (Accounting Standards) Amendment Rules, 2016, as amended
IP	Intellectual property

Term	Description
IPO	Initial public offering
IST	Indian Standard Time
IT	Information technology
IT Act	The Income-tax Act, 1961, as amended
KYC	Know your customer
MCA	Ministry of Corporate Affairs
MSMEs	Micro, Small, and Medium Enterprises
Mutual Funds	Mutual funds registered under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended
N.A.	Not applicable
NACH	National Automated Clearing House
"NAV" or "Net Asset Value"	Net asset value per share represents net worth at the end of the year/period (excluding non-controlling interest) divided by the weighted average number of shares outstanding during the period/year post the proposed issuance of equity shares against the outstanding options under ESOP scheme
NEFT	National Electronic Funds Transfer
Non-Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
NPCI	National Payments Corporation of India
NRI	Person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016, as amended or an overseas citizen of India cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955, as amended
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB or 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. OCBs are not allowed to invest in the Offer
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit after tax
PE	Private equity
P/E	Price/earnings
P/E Ratio	Price to Earnings ratio
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended
Regulation S	Regulation S under the U.S. Securities Act
"RoNW" or "Return on Net Worth"	Restated profit/(loss) attributable to equity holders of the parent (before other comprehensive income) divided by total equity attributable to equity holders of the parent
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Offer) Regulations, 1994, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
SEBI ICDR Master Circular	SEBI master circular bearing reference number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094, dated June 21, 2023

Term	Description
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended
SEBI RTA Master Circular	SEBI master circular bearing number SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023
SEBI SBEB & SE Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
SME	Small and Medium Enterprises
Stamp Act	The Indian Stamp Act, 1899
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
STT	Securities transaction tax
Systemically Important NBFC	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
TAN	Tax Deduction Account Number
U.K., UK	United Kingdom
"U.S.A.", "U.S.", "US" or "United States of America"	United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States
U.S. SEC	Securities and Exchange Commission of the United States of America
U.S. Securities Act	United States Securities Act of 1933, as amended
USD or US$	United States Dollars
Wilful Defaulter	A company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to "India" contained in this Draft Red Herring Prospectus are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

All references to the:

"U.S.", "US", "U.S.A." or "United States" are to the United States of America and its territories and possessions;

In this Draft Red Herring Prospectus, unless otherwise specified:

- any time mentioned is in IST;
- all references to a year are to a calendar year; and
- all references to page numbers are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Red Herring Prospectus have been derived from our Restated Consolidated Financial Information. For further information, see "*Restated Consolidated Financial Information*" on page 244.

Our Company's financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references in this Draft Red Herring Prospectus to a particular Financial Year, Fiscal or Fiscal Year, unless stated otherwise, are to the 12 month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

Unless the context requires otherwise, the financial information in this Draft Red Herring Prospectus is derived from our Restated consolidated financial information of our Company, our Subsidiaries and our erstwhile associate as at and for the six months period ended September 30, 2023 and September 30, 2022 and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 comprising the restated consolidated statement of assets and liabilities as at September 30, 2023 and September 30, 2022 and as at March 31, 2023, March 31, 2022 and March 31, 2021, the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity, the restated consolidated statement of cash flow, for the six months period ended September 30, 2023 and September 30, 2022 and each for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, the notes, comprising material accounting policies and other explanatory information, prepared as per the requirement of Section 26 of Part I of Chapter III of the Companies Act, 2013, SEBI ICDR Regulations, as amended and the Guidance Note on 'Reports in Company Prospectuses (Revised 2019)' issued by the Institute of Chartered Accountants of India, as amended from time to time, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended to date; and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended from time to time. For further information, see "*Summary of Financial Information*", "*Restated Consolidated Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 60, 244 and 333, respectively.

There are significant differences between Ind AS, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. 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 policies and practices, the Companies Act, Ind AS and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should, accordingly, be limited. For risks relating to significant differences between Ind AS and other accounting principles, see "*Risk Factors – Significant differences exist between Ind AS used to prepare our financial information and other accounting principles, such as IFRS and U.S. GAAP, with which investors may be more familiar.*" on page 52.

Unless the context otherwise indicates, any percentage amounts or ratios (excluding certain operational metrics), relating to the financial information of our Company in this Draft Red Herring Prospectus have been calculated on the basis of amounts derived from our Restated Consolidated Financial Information.

Non-GAAP Financial Measures

EBIT, EBIT margin, EBITDA, EBITDA margin, Profit after tax margin, fixed asset turnover ratio, debt-equity ratio, return on equity, return on capital employed, segment results before depreciation, segment results before depreciation margin, adjusted EBIT, adjusted EBIT margin, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted return on equity and Adjusted return on capital employed ("**Non-GAAP Measures**"), presented in this Draft Red Herring Prospectus are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with Ind AS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the period/years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS. In addition, the Non-GAAP Measures are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate an entity's operating performance.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India;
- "USD" or "US$" are to United States Dollar, the official currency of the United States;
- "GBP" or "£" are to Pound sterling, the official currency of the United Kingdom;
- "EUR" or "€;" are to Euro, the official currency of the European Union.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in "million" units. One million represents 1,000,000 and one billion represents 1,000,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions, such figures appear in this Draft Red Herring Prospectus in such denominations as provided in the respective sources.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All per share and percentage figures have been rounded off to one/ two decimal places. However, where any figures may have been sourced from third-party industry sources, such figures may be rounded off to such number of decimal places as provided in such respective sources.

Exchange Rates

This Draft Red Herring Prospectus contains conversion of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and other foreign currencies:

(Amount in ₹, unless otherwise specified)

Currency	Exchange rate as at				
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
1 USD	83.06	81.55	82.22	75.81	73.50
1 €	87.94	80.11	89.61	84.66	86.10
1 £	101.67	90.77	101.87	99.55	100.95

Source: www.fbil.org.in

Note: The exchange rates are rounded off to two decimal places and in case September 30, March 31 of any of the respective years is a public holiday, the previous Working Day not being a public holiday has been considered.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from the F&S Report, and publicly available information as well as other industry publications and sources.

F&S is an independent agency which has no relationship with our Company, our Promoters, any of our Directors or Key Managerial Personnel or the Book Running Lead Managers. The F&S Report has been exclusively commissioned by our Company pursuant to an engagement letter with F&S dated October 7, 2023, for the purposes of confirming our understanding of the industry in which our Company operates, in connection with the Offer. The F&S Report will be made available on the website of our Company at https://www.akums.in/investors/ from the date of the Red Herring Prospectus till the Bid/Offer Closing Date.

Excerpts of the F&S Report are disclosed in this Draft Red Herring Prospectus and there are no parts, information or data from the F&S Report which would be relevant for the Offer that have been left out or changed in any manner by our Company for the purposes of this Draft Red Herring Prospectus. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable, on account of there being no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

Accordingly, 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.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors – This Draft Red Herring Prospectus contains information from third parties, including an industry report prepared by an independent third-party research agency, Frost & Sullivan (India) Private Limited, which we have commissioned and paid for, for the purpose of confirming our understanding of the industry we operate in, exclusively in connection with the Offer.*" on page 53. Accordingly, investment decisions should not be based solely on such information.

Disclaimer of F&S

This Draft Red Herring Prospectus contains data and statistics from certain reports and the F&S Report, which is subject to the following disclaimer:

"Independent Market Research on the Overview of the Global and Indian Contract Development & Manufacturing Organization Industry" has been prepared for the proposed initial public offering of equity shares by Akums Drugs and Pharmaceuticals Limited (the "Company").

This study has been undertaken through extensive primary and secondary research, which involves discussing the status of the industry with leading market participants and experts, and compiling inputs from publicly available sources, including official publications and research reports. Estimates provided by Frost & Sullivan (India) Private Limited ("Frost & Sullivan") and its assumptions are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain.

Frost & Sullivan has prepared this study in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, and it does not purport to be exhaustive. The results that can be or are derived from these findings are based on certain assumptions and parameters/conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged

Forecasts, estimates, predictions, and other forward-looking statements contained in this report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements.

In making any decision regarding the transaction, the recipient should conduct its own investigation and analysis of all facts and information contained in the prospectus of which this report is a part and the recipient must rely on its own examination and the terms of the transaction, as and when discussed. The recipients should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction."

In accordance with the SEBI ICDR Regulations, the section "*Basis for Offer Price*" on page 106, includes information relating to our peer group companies and industry averages. Such information has been derived from publicly available sources. Such industry sources and publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base this information on estimates and assumptions that may prove to be incorrect.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved. The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) outside the

United States in offshore transactions as defined in and in compliance with Regulation S and the applicable laws of the jurisdictions where those offers and sales are made, and (b) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) pursuant to Section 4(a) of the U.S. Securities Act.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". All statements in this Draft Red Herring Prospectus that are not statements of historical fact are 'forward-looking statements'.

These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "likely to", "objective", "plan", "propose", "project", "seek", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to and including, regulatory changes pertaining to the industry in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industry in which we operate.

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

(i) Concentration of our manufacturing and research and development centres in Haridwar, Uttarakhand leading to higher risk exposurer from economic, regulatory, political and other changes in this region;

(ii) Slowdown or shutdown in our manufacturing and research and development operations;

(iii) Any manufacturing or quality control concerns or our inability to deliver products on a timely basis, or at all, could result in the cancellation of purchase orders, breaches of relevant agreements, and termination of agreements by our clients and distributors;

(iv) Periodic inspections and audits by regulatory authorities and clients and any regulatory actions against us; and

(v) Reliance on domestic and international third-party suppliers for the supply of raw materials.

For discussion regarding factors that could cause actual results to differ from expectations, see "*Risk Factors*", "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 27, 128, 171 and 333, 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 gains or losses could materially differ from those that have been estimated.

There can be no assurance to Bidders that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Forward-looking statements reflect our current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, KMPs, the Selling Shareholders, the Syndicate nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the requirements of SEBI, our Company shall ensure that investors are informed of material developments from the date of the Red Herring Prospectus in relation to the statements and undertakings made by our Company. Each of the Selling Shareholders shall, severally and not jointly, ensure that Bidders in India are informed of material developments in relation to the statements and undertakings specifically confirmed or undertaken by such Selling Shareholder in relation to themself as a Selling Shareholder and their respective portion of the Offered Shares in the Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer. Further, only statements and undertakings which are confirmed or undertaken by each Selling Shareholder, as the case may be, in this Draft Red Herring Prospectus shall be deemed to be statements and undertakings made by such Selling Shareholder as of the date of this Draft Red Herring Prospectus.

SUMMARY OF THE OFFER DOCUMENT

The following is a general summary of the terms of the Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant for prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including in "Risk Factors", "The Offer", "Capital Structure", "Objects of the Offer", "Industry Overview", "Our Business", "Our Promoters and Promoter Group", "Restated Consolidated Financial Information", "Offer Procedure", "Outstanding Litigation and Material Developments" and "Description of Equity Shares and Terms of the Articles of Association" beginning on pages 27, 58, 72, 89, 128, 171, 237, 244, 415, 362 and 434, respectively.

Summary of the business of our Company

We are a pharmaceutical contract development and manufacturing organization offering a comprehensive range of pharmaceutical products and services in India and overseas. We are also engaged in the sale of branded pharmaceutical formulations and manufacturing of active pharmaceutical ingredients. Some of our other services include formulation research and development, preparation and filing of regulatory dossiers in the Indian and global markets, and other testing services. Some of our manufacturing units have been accredited by various global regulatory agencies such as the European Good Manufacturing Practice, the World Health Organization Good Manufacturing Practice and the United States National Sanitation Foundation.

Summary of the industry in which our Company operates

The pharmaceutical industry in India is characterized by significant challenges, including, high capital expenditure required to establish and maintain sizeable manufacturing units, research and development expertise, trained manpower, consistent quality control, pricing pressure, disruptions within the supply chain, and the long-drawn regulatory and client approval and inspection processes, among others. An increase in chronic patient population, insurance penetration, trade generics, demand from tier II and III cities, and Government schemes focused on drug access are supporting growth in the Indian pharmaceutical market. CDMOs assist pharmaceutical companies to employ an asset-light model and access global and specialized expertise while staying abreast with rapid innovation launches. (*Source: F&S Report*)

Our Promoters

Sanjeev Jain, Sandeep Jain, and Akums Master Trust are our Promoters. For further details, see "*Our Promoters and Promoter Group*" beginning on page 237.

Offer size

The following table summarizes the details of the Offer size:

Offer *(1)(2)	Up to [●] Equity Shares aggregating up to ₹ [●] million
of which:	
(i) Fresh Issue*(1)	Up to [●] Equity Shares aggregating up to ₹ 6,800 million
(ii) Offer for Sale(2)	Up to 18,598,365 Equity Shares aggregating up to ₹ [●] million
which includes:	
Employee Reservation Portion(3)	Up to [●] Equity Shares aggregating up to ₹ [●] million
Net Offer	Up to [●] Equity Shares aggregating up to ₹ [●] million

* *A Pre-IPO Placement may be undertaken by our Company, in consultation with the BRLMs, for up to 20% of the Fresh Issue or such other amount as may be allowed under applicable law for cash consideration aggregating up to ₹ 1,360 million, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs and will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the minimum Offer size (comprising the Fresh Issue so reduced by the amount raised from the Pre-IPO Placement, and the Offer for Sale) shall constitute at least 10% of the post-Offer paid-up Equity Share capital of our Company.*

(1) *The Offer including the Fresh Issue of up to ₹6,800 million has been authorised by our Board pursuant to the resolutions passed at its meetings held on October 26, 2023 and February 7, 2024 and by our Shareholders pursuant to a special resolution passed at their extra-ordinary general meeting held on October 26, 2023. Further, our Board has taken on record the consent of each of the Selling Shareholders to severally and not jointly participate in the Offer for Sale pursuant to its resolutions dated January 17, 2024 and February 7, 2024.*

(2) *Each Selling Shareholder has, severally and not jointly, specifically authorized the inclusion of its respective portion of the Offered Shares as part of the Offer for Sale as provided below:*

Name of the Selling Shareholder	*Maximum number of Equity Shares offered in the Offer for Sale*	*Date of corporate authorisation/ board resolution*	*Date of consent letter*
Promoter Selling Shareholders			
Sanjeev Jain	*2,145,965*	*NA*	*January 16, 2024*
Sandeep Jain	*2,145,965*	*NA*	*January 16, 2024*
Investor Selling Shareholder			
Ruby QC Investment Holdings Pte. Ltd.	*14,306,435*	*January 16, 2024*	*January 16, 2024*

(3) *In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation up to ₹500,000), shall be added to the Net Offer. The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. For further details, see "Offer Structure" beginning on page 411.*

The Offer shall constitute [●]% of the post Offer paid up Equity Share capital of our Company.

For further details, see "*The Offer*" and "*Offer Structure*" beginning on pages 58 and 411, respectively.

Objects of the Offer

Our Company proposes to utilise the Net Proceeds towards funding the following objects:

Objects	Estimated Amount* (in ₹ million)
Repayment/prepayment of all or certain borrowings of our Company and Subsidiaries	3,870.00
Funding incremental working capital requirements of our Company	550.00
Pursuing inorganic growth initiatives through acquisitions(1)	[●]
General corporate purposes(1)	[●]
Total(1)	[●]

* *Includes the proceeds, if any, received pursuant to the Pre-IPO Placement.*

(1) To be finalised upon determination of the Offer Price and updated in the Prospectus prior to the filing of the Prospectus with the RoC. The amount to be utilised for general corporate purposes and achieving inorganic growth through acquisitions shall not exceed 35% of the Gross Proceeds. The amount to be utilised for general corporate purposes alone shall not exceed 25% of the Gross Proceeds.

For further details, see "*Objects of the Offer*" beginning on page 89.

Aggregate pre-Offer Shareholding of our Promoters, the members of our Promoter Group (other than our Promoters) and the Selling Shareholders

a) *Promoters and Promoter Group (other than our Promoters)*

S. No.	Name of the shareholder	Pre-Offer number of Equity Shares	Percentage of the pre-Offer equity share capital (%)	Post-Offer number of Equity Shares*	Percentage of the post-Offer Equity Share capital (%)
Promoters					
1.	Sanjeev Jain	60,725,940β	42.45β	[●]	[●]
2.	Sandeep Jain	60,739,690α	42.46α	[●]	[●]
3.	Akums Master Trust#	-	-	[●]	[●]
Promoter Group					
1.	Arushi Jain (jointly with Sanjeev Jain)	33,000	0.02	33,000	[●]
2.	Lata Jain	13,750∞	0.01∞	13,750∞	[●]
3.	Umang Jain (jointly with Lata Jain)	5,500	Negligible	5,500	[●]
4.	Kanishk Jain (jointly with Sandeep Jain)	5,500	Negligible	5,500	[●]
5.	Manan Jain (jointly with Sandeep Jain)	5,500	Negligible	5,500	[●]

* *Subject to finalisation of Basis of Allotment*

β *Includes 33,000 Equity Shares held jointly by Sanjeev Jain with Arushi Jain.*

α *Includes 5,500 Equity Shares held jointly by Sandeep Jain with Kanishk Jain and 5,500 Equity Shares held jointly by Sandeep Jain with Manan Jain.*

\# *Our individual Promoters, i.e., Sanjeev Jain and Sandeep Jain, will transfer 32,100,000 Equity Shares each, to D.C. Jain, the settlor of the Promoter Trust, prior to filing of the Red Herring Prospectus with the RoC. The settlor of the Promoter Trust will further transfer the Equity Shares to the Promoter Trust prior to filing of the Red Herring Prospectus with the RoC.*

∞ *Includes 5,500 Equity Shares held jointly by Lata Jain with Umang Jain.*

The Promoters hold 121,465,630 Equity Shares aggregating to 84.90% the pre-Offer Equity Share capital of the Company which includes 44,000 Equity Shares held jointly with certain members of the Promoter Group as disclosed in the table above.

b) *Selling Shareholders*

Sl. No.	Name of the Selling Shareholder	Pre-Offer number of Equity Shares	Percentage of the pre-Offer equity share capital (%)	Post-Offer number of Equity Shares*	Percentage of the post-Offer Equity Share capital (%)
Promoter Selling Shareholders					
1.	Sanjeev Jain	60,725,940β	42.45 β	[●]	[●]
2.	Sandeep Jain	60,739,690α	42.46 α	[●]	[●]
Investor Selling Shareholder					
3.	Ruby QC Investment Holdings Pte. Ltd.	21,584,970	15.09	[●]	[●]

* *Subject to finalisation of Basis of Allotment*

β Includes 33,000 Equity Shares held jointly by Sanjeev Jain with Arushi Jain.

α Includes 5,500 Equity Shares held jointly by Sandeep Jain with Kanishk Jain and 5,500 Equity Shares held jointly by Sandeep Jain with Manan Jain.

For further details, see "*Capital Structure*" on page 72.

Summary of Restated Consolidated Financial Information

The following details are derived from the Restated Consolidated Financial Information**:**

(₹ in million, unless otherwise stated)

Particulars	For the six months period ended September 30, 2023	For the six months period ended September 30, 2022	As at and for the year ended March 31, 2023	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021
Equity Share capital	286.13	143.07	286.13	143.07	13.01
Net Worth	5,603.85	6,901.52	7,171.89	6,219.76	8,848.47
Revenue from operations	21,511.38	18,213.63	36,548.20	36,718.93	27,226.29
Profit/(Loss) for the period/year	(1,547.39)	690.85	978.17	(2,508.74)	1,234.35
Basic EPS (₹)*	(10.93)	4.80	6.63	(17.65)	8.58
Diluted EPS (₹)*	(10.93)	4.80	6.63	(17.65)	8.58
Net Asset Value per Equity Share (₹)	39.17	48.24	50.13	43.48	61.85
Current borrowings (A)	6,067.55	5,863.20	4,214.77	3,446.20	959.03
Non-current borrowings (B)	1,009.96	1,369.32	1,154.96	133.33	11.61
Total borrowings (C=A + B)	7,077.51	7,232.52	5,369.73	3,579.53	970.64

* *Not annualised for six months period ended September 30, 2023 and September 30, 2022.*

Notes:

1) *Equity share capital of the Company is portion of company's capital that is raised by issuing shares to shareholders in exchange for ownership of Company.*
2) *Net Worth refers to the equity attributable to equity holders of the Parent.*
3) *Revenue from operation is calculated as revenue from sale of our products and other operating revenue of the Company as set out in the Restated Consolidated Financial Information.*
4) *Profit /(Loss) for the period/ year as appearing in the Restated Consolidated Financial Information.*
5) *Basic EPS is calculated as restated profit for the period/ year attributable to equity holders of the parent divided by the weighted average number of basic Equity Shares outstanding during the period/ year.*
6) *Diluted EPS is calculated as restated profit for the period/ year attributable to equity holders of the parent divided by the weighted average number of diluted Equity Shares outstanding during the period/ year.*
7) *Net asset value per equity share is calculated as net worth divided by the number of equity shares outstanding during the period/year end.*
8) *Current Borrowings as disclosed in Restated Consolidated Financial Information.*
9) *Non-current borrowings as disclosed in Restated Consolidated Financial Information.*

For further details, see "*Other Financial Information"* on page 325.

Qualifications of the Statutory Auditors which have not been given effect to in the Restated Consolidated Financial Information

There are no qualifications of Statutory Auditors which has not been given effect to in the Restated Consolidated Financial Information.

Summary of Outstanding Litigation

A summary of outstanding litigation proceedings involving our Company, Directors, Promoters, and Subsidiaries, as on the date of this Draft Red Herring Prospectus, in accordance with the SEBI ICDR Regulations and as per the Materiality Policy, is provided below:

Name of Entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material civil litigations	Aggregate amount involved (₹ in million)*
Company						
By our Company	25	Not applicable	Not applicable	Not applicable	7	267.33
Against our Company	Nil	14	35	Not applicable	1	102.35
Directors						
By the Directors	Nil	Not applicable	Not applicable	Not applicable	Nil	Nil

Name of Entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material civil litigations	Aggregate amount involved (₹ in million)*
Against the Directors	Nil	2	8	Not applicable	Nil	38.32
Promoters						
By the Promoters	Nil	Not applicable	Not applicable	Not applicable	Nil	Nil
Against the Promoters	Nil	Nil	6	Nil	Nil	Nil
Subsidiaries						
By the Subsidiaries	153	Not applicable	Not applicable	Not applicable	4	177.74
Against the Subsidiaries	2	19	59	Not applicable	1	1020.96

* *To the extent quantifiable.*

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigation proceedings involving our Group Companies, the outcome of which may have a material impact on our Company.

For further details of the outstanding litigation proceedings involving our Company, Directors, Promoters, and Subsidiaries, see "*Outstanding Litigation and Material Developments*" beginning on page 362.

Risk Factors

Specific attention of the investors is invited to the section "*Risk Factors*" beginning on page 27.

Summary of contingent liabilities

The following is a summary table of our contingent liabilities (as per Ind AS 37) derived from the Restated Consolidated Financial Information.

(in ₹ million)

S. No.	Particulars	As on September 30, 2023	As on March 31, 2023
1.	Income tax matters	768.80	768.80
2.	Product pricing related matters	106.40	44.26
3.	Others	3.15	2.35
	Total	**878.35**	**815.41**

For further details, please see '*Restated Consolidated Financial Information – Note 41 – Contingent liabilities and litigations*', on page 290.

Summary of Related Party Transactions

The following is the summary of transactions with related parties as at and for the six months period ended September 30, 2023 and September 30, 2022 and for Fiscals 2023, 2022 and 2021, as per the requirements under Ind AS 24, derived from the Restated Consolidated Financial Information.

(₹ in million)

Related parties with whom transactions have taken place	Nature of transaction/ Particulars	For six months period ended September 30, 2023	For six months period ended September 30, 2022	Financial Year 2023	Financial Year 2022	Financial Year 2021
D.C Jain	Rent paid	0.28	0.28	0.56	0.56	0.56
	%age of other expenses	0.01%	0.01%	0.01%	0.01%	0.02%
	Professional charges paid	3.25	2.73	5.49	5.49	5.40
	%age of other expenses	0.13%	0.11%	0.11%	0.13%	0.17%
Sandeep Jain	Rent paid	12.13	12.64	25.43	24.41	23.87
	%age of other expenses	0.48%	0.49%	0.51%	0.59%	0.76%
	Remuneration paid	21.50	18.62	38.00	33.50	33.18
	%age of employee benefits expense	0.67%	0.63%	0.64%	0.66%	0.78%
Sanjeev Jain	Rent paid	11.88	12.10	24.27	23.05	22.93
	%age of other expenses	0.47%	0.47%	0.49%	0.55%	0.73%
	Remuneration paid	21.50	18.62	38.00	33.50	33.18
	%age of employee benefits expense	0.67%	0.63%	0.64%	0.66%	0.78%
Lata Jain	Rent paid	0.23	0.23	0.46	0.46	0.48
	%age of other expenses	0.01%	0.01%	0.01%	0.01%	0.02%
	Remuneration paid	2.27	2.27	4.60	4.38	-

Related parties with whom transactions have taken place	Nature of transaction/ Particulars	For six months period ended September 30, 2023	For six months period ended September 30, 2022	Financial Year 2023	Financial Year 2022	Financial Year 2021
	%age of employee benefits expense	0.07%	0.08%	0.08%	0.09%	-
Archana Jain	Rent paid	0.34	0.34	0.67	0.67	0.67
	%age of other expenses	0.01%	0.01%	0.01%	0.02%	0.02%
	Remuneration paid	2.49	2.27	4.60	4.38	-
	%age of employee benefits expense	0.08%	0.08%	0.08%	0.09%	-
Akome Lifecare Private Limited	Rent paid	34.93	-	34.84	-	-
	%age of other expenses	1.37%	-	0.70%	-	-
	Sales of goods and others	-	-	0.04	-	-
	%age of revenue from operations	-	-	0.00%	-	-
	Sales of property, plant and equipment	0.37	-	271.00	-	-
	%age of Sales of property, plant and equipment	0.15%	-	64.30%	-	-
	Purchase of goods and others	0.65	-	1.86	-	-
	%age of cost of goods sold	0.01%	-	0.01%	-	-
	Expenses incurred on behalf of group company	1.39	0.62	0.62	-	-
	%age of other expenses	0.05%	0.02%	0.01%	-	-
Akums Foundation	Corporate social responsibility	-	29.66	65.44	6.78	-
	%age of other expenses	-	1.16%	1.32%	0.16%	-
	Sales of goods and others	3.94	61.08	61.18	0.89	0.01
	%age of revenue from operations	0.02%	0.34%	0.17%	0.00%	0.00%
Akums Health and Education Society	Corporate social responsibility	-	-	4.00	10.52	-
	%age of other expenses	-	-	0.08%	0.25%	-
	Sales of goods and others	0.02	3.95	3.96	3.83	0.24
	%age of revenue from operations	0.00%	0.02%	0.01%	0.01%	0.00%
Basant Kumar Singh	Remuneration paid	2.31	2.47	3.49	0.20	-
	%age of employee benefits expense	0.07%	0.08%	0.06%	0.00%	-
Deepak Haldankar	Remuneration paid	-	-	-	9.65	2.06
	%age of employee benefits expense	-	-	-	0.19%	0.05%
Vinod Raheja	Remuneration paid	-	-	-	14.14	7.99
	%age of employee benefits expense	-	-	-	0.28%	0.19%
Sumeet Sood	Remuneration paid	9.61	6.17	13.23	1.66	-
	%age of employee benefits expense	0.30%	0.21%	0.22%	0.03%	-
Arushi Jain	Remuneration paid	3.47	3.15	6.30	3.50	6.00
	%age of employee benefits expense	0.11%	0.11%	0.11%	0.07%	0.14%
	Director sitting fees	-	-	-	0.05	0.10
	%age of other expenses	-	-	-	0.00%	0.00%
Kanishk Jain	Remuneration paid	1.88	3.15	6.30	6.00	5.99
	%age of employee benefits expense	0.06%	0.11%	0.11%	0.12%	0.14%
	Director sitting fees	-	-	-	-	0.01
	%age of other expenses	-	-	-	-	0.00%
Manan Jain	Remuneration paid	0.15	-	-	-	-
	%age of employee benefits expense	0.00%	-	-	-	-
Dharamvir Malik	Remuneration paid	1.21	1.01	2.11	2.08	2.07
	%age of employee benefits expense	0.04%	0.03%	0.04%	0.04%	0.05%
	Director sitting fees	0.03	0.02	0.04	0.05	0.10
	%age of other expenses	0.00%	0.00%	0.00%	0.00%	0.00%
AUSL Pharma	Inter-corporate loan repaid	-	7.50	55.00	25.00	8.50
	Interest received	-	3.16	4.27	8.85	10.37
	Sales of goods and others	-	3.53	3.53	17.14	53.77
	%age of revenue from operations	-	0.02%	0.01%	0.05%	0.20%
	Purchase of goods and others	-	-	0.04	18.89	34.14
	%age of cost of goods sold	-	-	0.00%	0.08%	0.20%
	Expenses incurred on behalf of Group Company	-	0.22	0.22	0.10	-
	%age of other expenses	-	0.01%	0.00%	0.00%	-
	Profit/ (loss) share from investment in partnership firm/ LLP	-	(1.70)	(2.03)	2.03	3.47
	%age of Profit/ (loss) share from investment in partnership firm/ LLP	-	100%	100%	100%	100%
Kewal Kundanlal Handa	Director sitting fees	0.70	0.50	2.40	0.08	-
	%age of other expenses	0.03%	0.02%	0.05%	0.00%	-

Related parties with whom transactions have taken place	Nature of transaction/ Particulars	For six months period ended September 30, 2023	For six months period ended September 30, 2022	Financial Year 2023	Financial Year 2022	Financial Year 2021
Nand Lal Kalra	Director sitting fees	0.36	0.22	0.47	0.19	0.14
	%age of other expenses	0.01%	0.01%	0.01%	0.00%	0.00%
Neena Vivek	Director sitting fees	-	0.03	-	0.18	0.12
	%age of other expenses	-	0.00%	-	0.00%	0.00%
Matangi Gowrishankar	Director sitting fees	0.70	0.40	2.20	-	-
	%age of other expenses	0.03%	0.02%	0.04%	-	-
Welcure Pharmaceuticals Private Limited	Royalty expense	0.06	-	0.12	0.12	0.12
	%age of other expenses	0.00%	-	0.00%	0.00%	0.00%
Dhanwantri Vedaresearch LLP	Sale of non-current investments	-	-	0.16	-	-
	%age of Sale of non-current investments	-	-	100.00%	-	-

Note:

1. *Cost of goods sold includes cost of material consumed, purchase of stock-in-trade and changes in inventories of finished goods, work-in-progress and stock-in-trade as disclosed in restated consolidated financial information.*

2. *% of sale of non-current investments is calculated using total sales of non-current investment disclosed in related party disclosure in restated consolidated financial information.*

3. *% of sale of property, plant and equipment is calculated using proceeds from sale of property, plant and equipment as disclosed in cash flow statement in restated consolidated financial information.*

For details of the related party transactions in accordance with Ind AS 24, see *'Restated Consolidated Financial Information – Note 45 – Related party disclosures'* on page 293.

Issuances of Equity Shares made in the last one year for consideration other than cash (excluding bonus issuance)

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

Financing Arrangements

There have been no financing arrangements whereby the Promoters, members of the Promoter Group, our Directors, and their relatives have financed the purchase by any other person of securities of our Company (other than in the normal course of the business of the relevant financing entity) during a period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

Details of price at which equity shares were acquired in the last three years preceding the date of this Draft Red Herring Prospectus

Except as disclosed below, our Promoters, members of the Promoter Group, the Selling Shareholders, and Shareholder(s) with nominee director rights or other rights have not acquired any equity shares in the last three years preceding the date of this Draft Red Herring Prospectus:

Sl. No.	Name of the acquirer/ Shareholder	Date of acquisition**	Number of Equity Shares acquired	Face value (in ₹)@	Cost of acquisition per equity share (in ₹)*
Promoter Selling Shareholders					
1.	Sanjeev Jain	NA	Nil	NA	NA
2.	Sandeep Jain	NA	Nil	NA	NA
Investor Selling Shareholder					
3.	Ruby QC Investment Holdings Pte. Ltd.#	NA	Nil	NA	NA

* *As certified by T A M S & CO LLP, Chartered Accountants pursuant to their certificate dated February 10, 2024.*

*** This does not include Equity Shares allotted by way of bonus issues and split of shares.*

\# *Shareholder with special rights to nominate a director on our Board in accordance with the SHA.*

@ *Pursuant to resolutions each dated December 24, 2021 passed by our Board and the Shareholders, each equity share of face value of ₹10 each has been split into 5 Equity Shares of face value of ₹2 each. Accordingly, the issued, subscribed and paid up capital of our Company was sub-divided from 1,500,000 equity shares of face value of ₹10 each to 7,500,000 Equity Shares of face value of ₹2 each.*

Weighted average price at which Equity Shares were acquired by our Promoters and the Selling Shareholders in the one year preceding the date of this Draft Red Herring Prospectus

Our Promoters and the Selling Shareholders have not acquired any Equity Shares in the one year immediately preceding the date of this Draft Red Herring Prospectus, except a bonus issue of 71,532,175 Equity Shares by the Company on March 17, 2023.

Weighted average price at which Equity Shares were acquired by our Promoters and the Selling Shareholders in the last 18 months preceding the date of this Draft Red Herring Prospectus

Our Promoters and the Selling Shareholders have not acquired any Equity Shares in the last 18 months immediately preceding the date of this Draft Red Herring Prospectus, except a bonus issue of 71,532,175 Equity Shares by the Company on March 17, 2023.

Weighted average price at which equity shares were acquired by our Promoters and the Selling Shareholders in the three years preceding the date of this Draft Red Herring Prospectus

Our Promoters and the Selling Shareholders have not acquired any Equity Shares in the three years immediately preceding the date of this Draft Red Herring Prospectus, except a bonus issue of 71,532,175 Equity Shares by the Company on March 17, 2023 and 65,029,250 Equity Shares on December 24, 2021 and a sub-division of Equity Shares on December 24, 2021.

Weighted average cost of acquisition of all shares transacted in the last one year, eighteen months and three years preceding the date of this Draft Red Herring Prospectus

Period	Weighted Average Cost of Acquisition (in ₹)	Cap Price is 'X' times the Weighted Average Cost of Acquisition^	Range of acquisition price: Lowest Price – Highest Price (in ₹)#
Last 1 year	Nil	N.A.	Nil
Last 18 months	Nil	N.A.	Nil
Last 3 years	Nil	N.A.	Nil

* *As certified by T A M S & CO LLP, Chartered Accountants pursuant to their certificate dated 10, 2024.*

^ *To be updated in the Prospectus following finalisation of Cap Price, as per the finalised Price Band.*

Excluding Gift and Bonus transactions

Average cost of acquisition for our Promoters and the Selling Shareholders

The average cost of acquisition per Equity Share acquired by our Promoters and the Selling Shareholders, as on the date of this Draft Red Herring Prospectus is:

Name	Number of Equity Shares	Average cost of acquisition per Equity Share (in ₹)*
Promoter Selling Shareholders		
Sanjeev Jain	60,725,940#	0.15
Sandeep Jain	60,739,690#	0.14
Investor Selling Shareholder		
Ruby QC Investment Holdings Pte. Ltd.	21,584,970	231.64

* *As certified by T A M S & CO LLP, Chartered Accountants pursuant to their certificate dated 10, 2024.*

 # Includes 33,000 Equity Shares held jointly by Sanjeev Jain with Arushi Jain, 5,500 Equity Shares held jointly by Sandeep Jain with Kanishk Jain and 5,500 Equity Shares held joint by Sandeep Jain with Manan Jain

Details of pre-IPO placement

Our Company, may in consultation with the BRLMs, consider a private placement of up to 20% of the Fresh Issue or such other amount as may be allowed under applicable law for cash consideration aggregating up to ₹ 1,360 million, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is undertaken, the minimum Offer size (comprising the Fresh Issue so reduced by the amount raised from the Pre-IPO Placement, and the Offer for Sale) shall constitute at least 10% of the post-Offer paid-up Equity Share capital of our Company.

Split or consolidation of equity shares in the last one year

Our Company has not undertaken a split or consolidation of the equity shares in the one year preceding the date of this Draft Red Herring Prospectus.

Exemption from complying with any provisions of SEBI ICDR Regulations, if any, granted by SEBI

Our Company has not made any application under Regulation 300(2) of the SEBI ICDR Regulations for seeking exemption from strict compliance with any provisions of securities laws, as on the date of this Draft Red Herring Prospectus.

SECTION II: RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only ones relevant to us or the Equity Shares, the industry and segments in which we currently operate or propose to operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our businesses, results of operations, financial condition and cash flows. If any of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our businesses, results of operations, financial condition and cash flows could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with "Our Business", "Industry Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 171, 128 and 333, respectively, as well as the financial, statistical and other information contained in this Draft Red Herring Prospectus.

In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Offer including the merits and risks involved. You should consult your tax, financial and legal advisers about the particular consequences to you of an investment in the Equity Shares.

Prospective investors 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, assumptions, estimates 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. For details, see "Forward-Looking Statements" on page 19.

*Unless otherwise indicated, the industry-related information contained in this section is derived from the industry report titled "Independent Market Research on the Overview of the Global and Indian Contract Development & Manufacturing Organization Industry" dated February 8, 2024 prepared by Frost & Sullivan (India) Private Limited (the "**F&S Report**"). A copy of the F&S Report will be made available on the website of our Company at www.akums.in/investor-relations from the date of the Red Herring Prospectus till the Bid/Offer Closing Date, and has also been included in "Material Contracts and Documents for Inspection" on page 449. We have commissioned and paid for the F&S Report for the purposes of confirming our understanding of the industry exclusively in connection with the Offer. We officially engaged Frost & Sullivan (India) Private Limited in connection with the preparation of the F&S Report pursuant to an engagement letter dated October 7, 2023. The data included in this section includes excerpts from the F&S Report and may have been re-ordered by us for the purposes of presentation.*

INTERNAL RISK FACTORS

Risks relating to our business and operations

1. ***Our manufacturing units and research and development centres are concentrated in Haridwar, Uttarakhand and we are exposed to risks originating from economic, regulatory, political and other changes in this region, including natural disasters, which could adversely affect our business, results of operations and financial condition.***

   As of September 30, 2023, we operate 12 manufacturing units, with eight situated in Haridwar, Uttarakhand. As of September 30, 2023, we operate four research and development ("**R&D**") centres, of which two are located in Haridwar, Uttarakhand. The geographic concentration of our manufacturing units and R&D centres heightens our exposure to adverse developments and economic shifts within this region. Any significant social, political, civil or economic disruptions, or instances of internal or external aggression or changes in the policies of state or local governments, in Haridwar or Uttarakhand in general, could have an adverse effect on our business, results of operations and financial condition.

   Furthermore, the Himalayan terrains of Uttarakhand are prone to natural disasters including landslides, cloud bursts, earthquakes and floods. While we have not faced any significant impact of such natural disasters during the six months ended September 30, 2023 and the Financial Years 2023, 2022 and 2021, we cannot assure you that we will not face any natural disasters in the future. Any such instances of natural disasters could adversely affect our business, results of operations and financial condition.

   Due to the concentration of our manufacturing units and R&D centres in Haridwar, Uttarakhand, regulations and policies of Uttarakhand have a significant effect on our business, results of operations and financial condition. Any significant change in existing policy applicable to our operations could require us to incur additional capital expenditure. For instance, the Government of Uttarakhand has introduced legislation to mitigate the effect of industrialization on the environment. While we did not face any instances of having to incur material capital expenditure during the six months ended September 30, 2023, and the Financial Years 2023, 2022 and 2021 pursuant to any change in the policies, we cannot assure you that we may not need to incur such costs in the future. Any such instances could adversely affect our business, results of operations and financial condition.

2. ***Any slowdown or shutdown in our manufacturing and research and development operations could have an adverse effect on our business, results of operations, financial condition and cash flows.***

Our business is dependent upon our ability to operate our manufacturing units and R&D centres without disruption. Factors beyond our control, including disruption in electrical power or water resources, political instability, industrial accidents or machinery breakdowns, severe weather conditions, natural disasters, and outbreak of infectious diseases, could result in a slowdown or shutdown of our operations and adversely affect our business, results of operations, financial condition and cash flows. During Financial Year 2023, our API manufacturing units at Dera Bassi and Lalru in the state of Punjab were affected by floods, resulting in the closure of our manufacturing units from July 9, 2023 to July 12, 2023. The immediate effect of such damages to inventory, plant and equipment and repairs and maintenance expenses, along with cleaning and dewatering expenses aggregated to ₹274.14 million.

Any major malfunction or breakdown of our machinery can also require us to incur significant repair and maintenance costs and lead to slowdown or shutdown of our operations. Further, some of the products that we manufacture, such as hormonal products, are permitted to be manufactured at only the specific manufacturing unit which has received the requisite approvals. Any closure of such unit will result in us being unable to manufacture such product for the duration of the closure or until we are able to secure the requisite approvals to manufacture that product at a different unit. We cannot assure you that we may not need to incur any costs due to any major malfunction or breakdown of our machinery, or experience a slowdown or shutdown in our manufacturing and R&D operations in the future. If any of the foregoing were to occur, our business, results of operations, financial condition and cash flows could be adversely affected.

3. ***Any manufacturing or quality control concerns or our inability to deliver products on a timely basis, or at all, could result in the cancellation of purchase orders, breaches of relevant agreements, and termination of agreements by our clients and distributors, which could have an adverse effect on our business, results of operations, financial condition and cash flows.***

As a CDMO, we own and operate manufacturing units to produce a wide range of dosage forms. Our operations are subject to government policies, international standards and prescribed client quality norms. We typically enter into contracts with other pharmaceutical companies to provide manufacturing solutions. These contracts typically range from a period of two to five years and are renewable by us as per mutually agreeable terms.

We are required to meet quality standards and other specifications set out in our contractual arrangements or as prescribed under the applicable regulatory framework. Further, as per the terms of a majority of our contractual obligations, we are responsible for the procurement of raw materials and packaging materials, in strict adherence to client specifications and regulatory requirements. Disputes over non-conformity of products manufactured by us with such quality standards or specifications, or our inability to procure appropriate materials may lead to a disruption in our business, and may expose us to legal, financial and reputational risks. As a manufacturer, we are also subject to the risk of our products being returned to us or claims resulting from manufacturing defects or negligence in storage and handling of products. During the six months ended September 30, 2023 and the Financial Years 2023, 2022 and 2021, we have faced certain instances, where our products were either voluntarily recalled by us, or were returned by our clients, due to quality control issues. Set forth below are details of segment-wise sales returns during the six months ended September 30, 2023 and the Financial Years 2023, 2022 and 2021 faced by us due to quality issues, manufacturing defects or negligence in storage and handling of products manufactured by us:

Segment	**For the six months ended September 30, 2023**		**For the Financial Year**					
			2023		**2022**		**2021**	
	Sales Returns (₹ in millions)	***% of segment revenue from operations***	***Sales Returns (₹ in millions)***	***% of segment revenue from operations***	***Sales Returns (₹ in millions)***	***% of segment revenue from operations***	***Sales Returns (₹ in millions)***	***% of segment revenue from operations***
CDMO	109.52	0.65	153.41	0.56	101.53	0.38	51.41	0.24
Branded and generic formulations	360.29	9.55	881.32	11.68	633.02	7.02	398.53	6.82
API	20.84	2.23	145.16	8.19	1.26	0.11	–	–

We cannot assure you that we will continue to be in compliance with the relevant regulatory and contractual requirements for quality control standards in the future. Any product recall or sales returns due to quality concerns or non-compliance with quality standards could adversely affect our business, results of operations, financial condition and cash flows.

4. ***Our manufacturing units are subject to periodic inspections and audits by regulatory authorities and clients. We may be subject to regulatory action which may damage our reputation leading to an adverse effect on our business, results of operations, financial condition and cash flows.***

As a manufacturer of pharmaceutical formulations, we are required to comply with the regulations and quality standards stipulated by the regulatory authorities in India and the countries to which we export our products. We are also required to comply with global practice standards such as the International Organization for Standardization, European Union Good Manufacturing Practice, the World Health Organization Good Manufacturing Practice, and the standards prescribed by the United States National Sanitation Foundation. Our manufacturing units are also subject to periodic inspections and audits by these regulatory authorities and our clients. During the six months ended September 30, 2023, and the Financial Years 2023, 2022 and 2021, our manufacturing units were subject to 31 inspections by regulators and 517 audits by our clients. If we are not in compliance with the requirements prescribed by such authorities or terms stipulated in contracts with our clients, we may be subject to regulatory actions, including issuance of warning letters, imposition of sanctions, amendment or withdrawal of our existing approvals, product seizure, interruption of our operations, or claims resulting from non-compliance with contractual obligations. Any such actions may adversely affect our business, results of operations, financial condition and cash flows. A warning letter dated November 28, 2023 was issued by the Office of Commissioner, Food Safety and Drug Administration, Uttarakhand in relation to one of our manufacturing units at Haridwar, Uttarakhand, directing us to ensure good manufacturing and good laboratory practices norms in manufacturing and testing of drug products at the manufacturing unit. For details on the revocation of certain approvals and permits by regulatory authorities, see "*— Internal Risk Factors – Legal and Regulatory Risks – The Indian pharmaceutical market is subject to extensive regulation and our failure to comply with the existing and future regulatory requirements in the pharmaceutical market could adversely affect our business, results of operations and financial condition.*" on page 43.

We cannot assure you that we will not be subject to regulatory actions or claims resulting from non-compliance with contractual obligations in the future. Any of the foregoing could adversely affect our business, results of operations, financial condition and cash flows.

5. ***We rely on domestic and international third-party suppliers for the supply of raw materials and any delay, interruption or reduction in such supply could adversely affect our business, results of operations, financial condition and cash flows.***

We are dependent on domestic and international third-party suppliers for the supply of a majority of our raw materials. Our success depends on the uninterrupted supply of raw materials required for our manufacturing activities. We do not have long-term contractual arrangements with our suppliers and procure raw materials through purchase orders entered into with our suppliers. Raw materials, including packaging materials, are susceptible to supply disruptions and price volatility influenced by a range of factors including fluctuations in commodity markets, the quality and availability of raw materials, currency fluctuations, consumer demand, and changes in government policies and regulatory sanctions.

The table below sets out purchases of raw materials from our ten largest suppliers of raw materials, including as a percentage of our total purchases of raw materials, for the six months ended September 30, 2023 and the Financial Years 2023, 2022 and 2021:

Particulars	**For the six months ended September 30, 2023**		**For the Financial Year**					
			2023		**2022**		**2021**	
	(₹ in millions)	***% of total purchases of raw materials***	***(₹ in millions)***	***% of total purchases of raw materials***	***(₹ in millions)***	***% of total purchases of raw materials***	***(₹ in millions)***	***% of total purchases of raw materials***
CDMO business								
Purchases of raw materials from our ten largest suppliers	2,492.52	29.79	3,557.73	24.30	3,601.25	21.96	2,624.97	25.32
Branded and generic formulations business*								
Purchases of raw materials from our ten largest suppliers	1,504.27	85.95	3,042.41	75.94	3,768.70	59.92	2,846.07	67.87
API business								

Particulars	For the six months ended September 30, 2023		For the Financial Year					
			2023		2022		2021	
	(₹ in millions)	*% of total purchases of raw materials*	*(₹ in millions)*	*% of total purchases of raw materials*	*(₹ in millions)*	*% of total purchases of raw materials*	*(₹ in millions)*	*% of total purchases of raw materials*
Purchases of raw materials from our ten largest suppliers	218.18	65.43	412.17	51.77	978.62	68.45	14.18	94.61

* *Includes inter-company transactions as under our branded and generic formulations business, we carry out trading activities.*

Furthermore, we also depend on third-party transportation providers for the delivery of raw materials and logistics services, and do not have long-term contractual arrangements with such providers. Any disruptions in these services could impede our ability to secure raw materials and deliver products on time. Although we have not encountered any major disruptions in the supply of raw materials in the past, we cannot assure you that we may not encounter any delay, interruption or reduction in the supply of raw materials in the future. Any such instance could adversely affect our business, results of operations, financial condition and cash flows.

6. ***Our success depends on our ability to successfully develop and commercialize new products in a timely manner. Any failure to do so could adversely affect our business, results of operations and financial condition.***

Our success depends significantly on our ability to successfully commercialize our products under development in a timely manner. The development and commercialization process for new products is both time consuming and costly, and involves a high degree of business risk. Due to the prolonged period of time for developing a new product, delays associated with regulatory approval process as well as competitive factors, we may invest resources in developing products that may not be successful commercially, which could have an adverse effect on our business, results of operations and financial condition.

To develop new products, we commit substantial effort, funds and other resources towards R&D in areas which we believe have significant growth potential. As of September 30, 2023, we operate four R&D centres — two in Haridwar, Uttarakhand, one in Mumbai, Maharashtra for our CDMO and formulations businesses, and one in Barwala, Haryana for our API business. The table below sets out our research and development expenditure during the six months ended September 30, 2023 and the Financial Years 2023, 2022 and 2021:

Particulars	For the six months ended September 30, 2023	For the Financial Year		
		2023	2022	2021
Expenses on R&D (*₹ in million*)	516.54	979.64	713.02	587.56
Percentage of revenue from operations (*%*)	2.40	2.68	1.94	2.16
Percentage of total expenses (*%*)	2.34	2.82	1.84	2.29

Our ongoing investments in new product launches and R&D for future products could result in higher costs without a proportionate increase in revenues. Products currently under development, once fully developed and tested, may not perform as we expect. Furthermore, necessary regulatory approvals may not be obtained in a timely manner, or at all, and we may not be able to successfully produce and market such products to our clients. If we are not able to successfully develop and commercialize our products in a timely manner, or at all, our business, results of operations and financial condition could be adversely affected.

7. ***Our business is dependent on the sale of products to a limited number of clients for a significant portion of our revenues. The loss of one or more such clients or the deterioration of their financial condition or prospects could adversely affect our business, results of operations and financial condition.***

Our business is dependent on the sale of products to a limited number of clients for a significant portion of our revenues. Details of the revenue contribution of the ten largest clients of our CDMO business for the six months ended September 30, 2023 and the Financial Years 2023, 2022 and 2021 is set out below:

Particulars	For the six months ended September 30, 2023		For the Financial Year					
			2023		2022		2021	
	(₹ in millions)	% of total revenue from operations	(₹ in millions)	% of total revenue from operations	(₹ in millions)	% of total revenue from operations	(₹ in millions)	% of total revenue from operations
Ten largest clients of	7,285.62	43.35	10,597.55	38.92	10,982.66	41.27	7,730.71	36.16

Particulars	For the six months ended September 30, 2023		For the Financial Year					
			2023		2022		2021	
	(₹ in millions)	% of total revenue from operations	(₹ in millions)	% of total revenue from operations	(₹ in millions)	% of total revenue from operations	(₹ in millions)	% of total revenue from operations
our CDMO business*								

* *Individual entities have been considered for determination of our ten largest clients for our CDMO business.*

A majority of our CDMO business is conducted through purchase orders that are placed with us by our clients from time to time. Prior to the issuance of purchase orders, we enter into agreements with our clients to set out the broad parameters of our arrangement, including but not limited to the term of the agreement, the products to be manufactured and provisions relating to inspection and audit of our manufacturing units. We do not have exclusive arrangements with a majority our clients, including our key clients, and our clients may discontinue their relationship with us. For instance, in the past, one of our key clients reduced their business with us due to commencing its own in-house manufacturing operations. If our largest clients or a number of our clients cease to purchase products from us, our business, results of operations and financial condition could be adversely affected.

8. ***Our operations are labour intensive, and we may be subject to strikes, work stoppages or increased wage demands by our employees, which could adversely affect our business, results of operations and financial condition.***

Our operations are labour intensive, making us susceptible to strikes, work stoppages, or increased wage demands from our employees. These disruptions could affect our ability to maintain regular operations and could lead to higher labour costs. As of September 30, 2023, we employed a total of 16,463 personnel, including 7,211 full-time employees and 9,252 personnel on a contractual-basis across our business. For more details, see "*Our Business – Employees*" on page 192. India has strict labour legislation designed to safeguard worker interests, particularly concerning dispute resolution, and the removal of employees. These regulations also impose financial obligations on employers during retrenchment.

Presently, our workforce is not unionized. However, if a substantial portion of our workforce were to become unionized in the future, our labour costs could rise. Compliance with labour laws and the negotiation of collective agreements might result in increased financial commitments, affecting our employee costs.

We are also subject to laws and regulations governing various aspects of our relationship with our employees, encompassing minimum wages, working hours, working conditions, hiring and termination practices, and work permit authorization. See also "*Key Regulations and Policies in India*" on page 194. While we have not had any past instances of strikes or labour unrest during the six months ended September 30, 2023, and the Financial Years 2023, 2022 and 2021, we cannot assure that such disruptions will not arise in the future due to disputes or unrest among our workforce. Any of the foregoing could adversely affect our business, results of operations and financial condition.

9. ***Our international business exposes us to complex management, legal, tax and economic risks, which could adversely affect our business, results of operations and financial condition.***

We generate a portion of our revenues from our formulations business from international markets. We currently market pharmaceutical formulations in over 60 countries in south-east Asia, Africa, and the Commonwealth of Independent States, among others. As part of our growth strategy, we aim to expand our global presence, enter new markets and further diversify our operations. For details, see "*Our Business – Our Strategies*" on page 176. Set forth below are the details of our revenue from our formulations from international markets for the six months ended September 30, 2023 and the Financial Years 2023, 2022 and 2021:

Particulars	For the six months ended September 30, 2023	For the Financial Year		
		2023	2022	2021
Total revenue from the international markets (₹ *in million*)	1,565.76	2,316.73	992.63	762.63
Percentage of total revenue from operations (%)	7.28	6.34	2.70	2.80

Owing to the nature of our operations, we are subject to risks in connection with compliance with the laws of countries where we operate or export our products to, restrictions on the import and export of certain intermediates, drugs, technologies by local agencies, multiple tax and cost structures, cultural and language factors, among others. Furthermore, the accounting standards, tax laws and other regulations in the jurisdictions we operate in are subject to differing interpretations. Regulatory requirements are still evolving in many markets and are subject to change and as a result may, at times, be unclear or inconsistent. Consequently, we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our formulations, which may increase our costs for complying with applicable laws, rules and other requirements. While we have not faced any such instances during the six months ended September 30, 2023 and the Financial Years 2023, 2022 and 2021, we cannot assure you that we may not be subject to regulatory actions due to our inability to comply with the applicable regulatory requirements in jurisdictions outside India in the future. Any such instance could adversely affect our business, financial condition, cash flows, and results of operations.

Our international operations also subject us to exchange rate fluctuations, which are influenced by factors such as global uncertainty, financial market volatility, trade disruptions, commerce, pricing stability, and supply chain continuity. In addition, escalating costs, including rising tariffs, have the potential to diminish the profitability of international trade and negatively affect our international operations. These factors can have the potential to adversely affect our business, financial condition, cash flows, and results of operations.

10. *There are outstanding legal proceedings involving our Company and certain of our Promoters, our Subsidiaries and our Directors.*

There are outstanding legal proceedings involving our Company, and certain of our Promoters, our Subsidiaries and our Directors which are pending at different levels of adjudication before various courts, tribunals and other authorities. Any unfavourable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our reputation, business, financial condition and results of operations.

A summary of outstanding material legal proceedings involving our Company and certain of our Promoters, our Subsidiaries and our Directors is set out below:

Name of Entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material civil litigations	Aggregate amount involved (₹ in million)*
Company						
By our Company	25	Not applicable	Not applicable	Not applicable	7	267.33
Against our Company	Nil	14	35	Not applicable	1	102.35
Directors						
By the Directors	Nil	Not applicable	Not applicable	Not applicable	Nil	Nil
Against the Directors	Nil	2	8	Not applicable	Nil	38.32
Promoters						
By the Promoters	Nil	Not applicable	Not applicable	Not applicable	Nil	Nil
Against the Promoters	Nil	Nil	6	Nil	Nil	Nil
Subsidiaries						
By the Subsidiaries	153	Not applicable	Not applicable	Not applicable	4	177.74
Against the Subsidiaries	2	19	59	Not applicable	1	1020.96

* *To the extent quantifiable.*

Our Company has received the following summons under sections 50(2) and 50(3) of the Prevention of Money Laundering Act, 2002, as amended (“**PMLA**”), from the Directorate of Enforcement, Ministry of Finance, Government of India (“**ED**”):

(i) Summons dated February 3, 2022, issued to our Company by the Assistant Director, ED, Chandigarh-I Zonal Office, in relation to ECIR/ CDZO-I/ 01/ 2022/ 993 (“**2022 Summons**”) seeking attendance of a Director of our Company on February 10, 2022 to provide information, among others, in relation to Parabolic Drugs Limited (“**Parabolic**”), a company acquired by us through the corporate insolvency resolution process (“**CIRP**”) in terms of the Insolvency and Bankruptcy Code, 2016 and its CIRP proceedings. Our Company, through its Director, Sanjeev Jain, and Company Secretary and Compliance Officer, Dharamvir Malik, appeared before the ED on February 14, 2022 and submitted the requisite information in respect of Parabolic to the extent available with the Company and the CIRP proceedings of Parabolic. Our Company has not received any further communication from the ED in respect of the 2022 Summons.

(ii) Summons dated January 5, 2024 issued to Sanjeev Jain (in his capacity as a Director of our Company) by the Assistant Director, ED, Mumbai Zonal Office – 1, in relation to ECIR/MBZO/13/2016 (“**2024 Summons**”) seeking his personal appearance and information, among others, on Arshad Yusuf Wahedena, his family members, and entities owned by him, and in relation to business/ financial transactions by our Company with Temova Pharma Limited (“**Temova**”). Pursuant to the 2024 Summons, our Company, through Sanjeev Jain, appeared before the Enforcement Directorate on February 1, 2024 and provided details of transaction by our Company with Temova in 2022 and also informed the ED that that neither him nor the Company or its associates have had any dealings and/or business transactions with Arshad Yusuf Wahedana, his family members or any entities owned by him.

For further details in relation to the aforementioned summons, see “*Outstanding Litigation and Material Developments – Litigation involving our Company – Litigation against our Company – Actions taken by regulatory and statutory authorities*” on page 368.

Any adverse outcome in any of these proceedings may have an adverse effect on our business, financial position, prospects, results of operations and our reputation. See also, "*Outstanding Litigation and Material Developments*" on page 368.

There are no outstanding litigation proceedings involving our Group Companies which have a material impact on our Company.

Further, litigation documents such as copy of a statutory writ petition and complaints filed under the Drugs and Cosmetics Act, 1940 (wherein a summons has not been issued) involving our Company, Directors (in their capacity as a Director of our Company), and/or our Subsidiaries are not traceable by us and/or are not available in our records. Our Company has included disclosures pertaining to such litigation proceedings based on and limited only to the extent of information publicly available from the websites of the relevant High Court and other public databases in "*Outstanding Litigation and Material Developments*" on page 383 of this Draft Red Herring Prospectus, in order to comply with the requirements of the SEBI ICDR Regulations. To such extent, the disclosures pertaining to such litigation proceedings in this Draft Red Herring Prospectus may be limited in the context of requirements of the SEBI ICDR Regulations.

11. ***We import some of our raw materials from China and other countries. Any delay, interruption or reduction in the supply of such raw materials could adversely affect our business, financial condition and results of operations.***

We import some of our raw materials from China and other countries. Our supply of raw materials from suppliers outside India may be disrupted due to various factors outside of our control including the imposition of new rules, regulations and directives that may affect our supply chain. The table below sets out details of our cost of materials imported for the six months ended September 30, 2023 and the Financial Years 2023, 2022 and 2021:

Particulars	**For the six months ended September 30, 2023**		**For the Financial Year**					
			2023		**2022**		**2021**	
	(₹ in millions)	**% of total cost of materials**	**(₹ in millions)**	**% of total cost of materials**	**(₹ in millions)**	**% of total cost of materials**	**(₹ in millions)**	**% of total cost of materials**
CDMO business								
Domestic sourcing	7,151.55	85.48	12,728.44	86.92	14,746.92	89.92	9,287.82	89.60
Direct imports from China	1,075.58	12.86	1,483.41	10.13	955.53	5.83	394.41	3.81
Direct imports from other countries	139.67	1.66	431.49	2.95	697.78	4.25	683.22	6.59
Branded and generic formulations business								
Domestic sourcing	1,750.14	100	3,963.20	98.93	6,079.39	96.65	4,097.91	97.72
Direct imports from China	–	–	–	–	–	–	–	–
Direct imports from other countries	–	–	42.98	1.07	210.46	3.35	95.43	2.28
API business								
Domestic sourcing	333.36	99.96	765.21	96.12	635.39	44.44	14.99	100.00
Direct imports from China	0.12	0.04	28.04	3.52	791.42	55.36	–	–
Direct imports from other countries	–	–	2.88	0.36	2.85	0.20	–	–
Overall								
Domestic sourcing	9,235.05	88.37	17,456.85	89.77	21,461.70	88.98	13,400.72	91.95
Direct imports from China	1,075.70	10.29	1,511.45	7.77	1,746.95	7.24	394.41	2.71
Direct imports from other countries	139.67	1.34	477.35	2.45	911.09	3.78	778.65	5.34

Further, our domestic suppliers may also rely on imports from China and other countries. Other than delays faced by us following restrictions imposed by the Government of India during Financial Year 2021 in response to the COVID-19 pandemic, we have not faced any instances of disruption in our supply chains. As we are directly and indirectly dependent on the import of raw materials, we cannot assure you that we may not encounter any delay, interruption or reduction in the supply of raw materials in the future. Further, in the event of a disruption in our supply chain, we cannot assure you that we will be able to find an alternate source of supply of raw materials in a timely and cost efficient manner, or at all. Any of the foregoing could adversely affect our business, financial condition and results of operations.

12. ***If any of our products cause, or are perceived to cause, side effects, our business, results of operations and financial condition could be adversely affected.***

Our business, results of operations and financial condition could be adversely affected if any of our products cause or are perceived to cause side effects. These side effects may result from various factors, some of which are beyond our control. Our products may also be perceived to cause side effects when misused or when conclusive determinations regarding the causes of side effects are unattainable. Additionally, determinations by one or more regulators that products with similar pharmaceutical ingredients could lead to side effects could affect our business, results of operations and financial condition. While we have not faced any such instance during the six months ended September 30, 2023 and the Financial Years 2023, 2022 and 2021, we may be subject to a number of consequences, including:

- injury or death of our consumers;
- a fall in the demand for, and sales of our products;
- the recall or withdrawal of specific products;
- withdrawal or cancellation of regulatory approvals for the specific manufacturing units;
- damage to our brand name and reputation; and
- exposure to lawsuits and regulatory investigation relating to the specific product and additional liabilities, fines or sanctions.

In the event that we experience any of these consequences, our business, results of operations and financial condition could be adversely affected.

13. ***We rely on third party providers to carry out clinical trials on products introduced by us. While we do not have direct control over such trials, any occurrence of non-compliance with applicable regulations, or any errors or omissions during the trial process could adversely affect our business, results of operations and financial condition.***

We rely on third-party providers to conduct clinical trials for our introduced products. The clinical trial process is time-consuming, costly, and subject to business risks, yielding uncertain outcomes. We engage third-party investigators to carry out these critical trials on our behalf. While we do not have direct control over many aspects of their activities, we are responsible for ensuring that each clinical trial aligns with its general investigational plan and protocol. Failure on the part of these third-party providers to fulfil their obligations could lead to delays or prevention of product development, approval, and commercialization, potentially resulting in enforcement actions against us. Moreover, non-compliance by third-party investigators with rules and regulations prescribed under the applicable regulatory framework could expose us to regulatory actions, including penalties and the potential revocation of certain licenses. Although we have not encountered such instances during the six months ended September 30, 2023 and the Financial Years 2023, 2022 and 2021, we cannot assure you that we will not face any instances of errors or omissions by third-party providers during clinical trials that result in harm to trial patients, or to patients using the drug after the trial, in the future, which could lead to personal injury or liability claims, and adversely affect our business, results of operations and financial condition.

14. ***Our inability to successfully implement our business plan and growth strategy could have an adverse effect on our business, results of operations, financial condition and cash flows.***

We have expanded our operations and experienced considerable growth in the past. We cannot assure you that we will be able to maintain our growth at historic levels or successfully implement our business plan and growth strategy in the future. For instance, we intend to continue to increase our market share and consolidate our leadership position in the domestic market for our CDMO business, elevate the presence of our domestic formulations business, expand our global presence, scale our API business, and prioritize R&D for product development across therapy areas and dosage forms. For details, see "*Our Business – Our Strategies*" on page 176. Our growth strategies subject us to certain risks and could require us to expend additional capital. These risks include:

- delays in the delivery, installation, commissioning and qualification of our manufacturing equipment;
- delays or failure in securing the necessary governmental and other regulatory approvals;
- design or construction changes with respect to building spaces; and

- technological capacity and other changes to our plans necessitated by changes in market conditions, among others.

We may face challenges developing, integrating, managing and motivating our employee base, and may struggle to maintain and grow our R&D resources, including scientists, engineers and laboratory personnel. Furthermore, the enhancement and construction of new manufacturing units and R&D centres is subject to certain risks including those associated with shortages and late delivery of building materials and facility equipment, keeping up with latest technology and processes, delays or failure in securing the necessary government and other regulatory approvals, and insufficient demand for our products resulting in underutilization of our expanded and new manufacturing units, among others. Our inability to manage our expansion activities effectively and execute our growth strategy in a timely manner, or within budget estimates, could have an adverse effect on our business, results of operations, financial condition and cash flows. For instance, in the Financial Year 2021, pursuant to failure of expansion strategies due to operational inefficiencies in our erstwhile subsidiary, Delcure Lifesciences Limited ("**Delcure**"), we had to write-off losses amounting to ₹2,494.90 million. We disposed of our stake in Delcure during the Financial Year 2023. We cannot assure you that we will not face any such instances of not being able to effectively manage our growth strategies in the future, which could adversely affect our business, results of operations, financial condition and growth strategies.

15. ***Our employees and clients may engage in misconduct or other improper or illegal activities, including misrepresentation, noncompliance with regulatory requirements and breach of contractual obligations.***

Our business is exposed to the risk of misconduct by both employees and clients, including but not limited to misconduct, noncompliance with regulatory requirements and breach of contractual obligations. Any potential failure to comply with applicable laws and regulations, comply with contractual obligations, adhere to established manufacturing and quality-control standards, or engage in misconduct could adversely affect our operations. Furthermore, laws and regulations may impose restrictions or prohibitions on various business practices, such as pricing, discounting, marketing, promotions, sales commissions, and client incentive programs. Additionally, our clients may engage in misconduct, including the relabelling or repackaging of products manufactured by us. Such client misconduct could subject us to criminal penalties, fines, and the potential revocation of licenses. We have encountered cases of employee misconduct, some of which are as set forth below:

Financial Year	Instance	Action taken	Status
2022	Pramod Sharma, an ex-employee of MNL, acted in a manner prejudicial to the interests of MNL, causing a financial loss to MNL.	A complaint has been filed by MNL against Pramod Sharma.	Currently pending adjudication.
2018	Sunil Bhatia, a former managing director of our Subsidiary, Amazing Research Laboratories Limited, conducted affairs in a manner prejudicial to the interests of the Subsidiary and our Company, to make a personal gain.	Legal proceedings have been initiated against Sunil Bhatia by Amazing Research Laboratories Limited.	Currently pending adjudication.

See also, "*Outstanding Litigation and Material Developments – Litigation involving our Subsidiaries*" on page 371.

We cannot assure you that we will not face any such instances of misconduct by our employees or clients in the future. In the event that misconduct by our employees, suppliers, and clients materialises, we may be subject to criminal penalties, fines, regulatory approval revocation, and damage to our reputation. Further, any cessation or reduction of our business with us by any of our key clients as a result of any misconduct by our employees could have an adverse effect on our business, results of operations, and financial condition.

16. ***Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, results of operations, financial condition and cash flows.***

Our ability to accurately forecast demand for our products and efficiently manage inventory is crucial to the health of our business. As a CDMO operating in the pharmaceutical industry, we maintain an adequate inventory of raw materials, work-in-progress and finished goods to account for the demand for our products. Set forth below are details of our inventories as of September 30, 2023 and March 31, 2023, 2022 and 2021:

Particulars	As of September 30, 2023		As of March 31,					
			2023		2022		2021	
	(₹ in millions)	% of total assets	(₹ in millions)	% of total assets	(₹ in millions)	% of total assets	(₹ in millions)	% of total assets
Inventories	6,882.66	19.09	7,297.95	22.34	7,224.48	23.54	4,298.59	19.84

For details, see "*Restated Consolidated Financial Information*" on page 244.

While we seek to accurately forecast the demand for our clients' requirements and, accordingly, plan our production volumes, if we underestimate demand or have inadequate capacity, we may manufacture fewer quantities of products than required and be unable to meet our clients' requirements, which could result in the loss of business. On the other hand, we may overestimate demand or demand from our clients may decline. As a result, we may produce quantities in excess of actual demand, which would result in surplus stock that we may not be able to sell in a timely manner. Our inability to accurately forecast demand for our products and manage our inventory may therefore have an adverse effect on our business, results of operations, financial condition and cash flows.

17. ***Our inability to adopt new technologies could adversely affect our business, results of operations, cash flows and financial condition.***

The pharmaceutical industry is subject to significant technological changes and novel chemical processes. While we aim to keep our technology and machinery aligned with global standards, the technology and machinery we employ may become obsolete. We cannot assure you that we will be able to successfully make timely and cost-effective enhancements and additions to our technological infrastructure and keep up with technological improvements in order to cater for the specifics of our new products, geographical requirements and marketing needs. Furthermore, any new technologies we adopt from time to time may not perform as well as expected. The cost of implementing new technologies and R&D initiatives, and upgrading our manufacturing units and R&D infrastructure could be significant and higher than initially anticipated. Our failure to manage and implement new technologies in a cost-efficient manner, or at all, could adversely affect our business, results of operations, cash flows and financial condition.

18. ***Our business, results of operations and financial condition may be adversely affected if we are unable to enhance or maintain our brand image.***

Our brand represents a valuable asset across our operations, and it is imperative that we continually cultivate and enhance our reputation while increasing brand awareness through targeted and consistent business development and branding initiatives.

Despite our efforts to raise awareness about our CDMO capabilities, and our formulations and API businesses, our business fundamentally relies on our clients' perception of our reputation and brand. If our marketing and advertising endeavours do not yield the desired results, we may incur expenses without the anticipated revenue benefits. Furthermore, competitors may launch promotional activities and branding campaigns that enhance their brand visibility, and we may struggle to keep pace. Additionally, lapses in maintaining our quality accreditations and certifications can negatively affect our brand and reputation. Any failure to uphold the value of our brands, preserve our reputation, or attract clients may have an adverse effect on our business, results of operations and financial condition.

Furthermore, our reputation and brands could be susceptible to damage from negative publicity, whether in traditional or social media, or from claims or perceptions regarding the quality of our products. Any adverse incidents, such as litigation, regulatory actions, or negative publicity can significantly erode our brand value and consumer trust. Consequently, such occurrences could adversely affect our business, results of operations and financial condition.

19. ***We are subject to the risk of loss due to fire, accidents and other hazards as our manufacturing, and research and development processes utilize materials that are highly flammable and hazardous. Any failure to comply with existing and future regulatory requirements or non-compliance with and changes in, safety, health, environmental and labour laws and other applicable regulations, could adversely affect our business, results of operations, financial condition and cash flows.***

We utilise flammable and hazardous materials in our manufacturing and R&D processes. The improper handling or storage of these materials could result in fire, industrial accidents, property damage and damage to the environment. In order to safeguard our manufacturing units and personnel, we have implemented various safety and mitigation measures at our manufacturing units including upgrading risk management controls at our manufacturing units, carrying out requisite training programmes for our employees and contractors, conducting industrial hygiene and risk-based assessments, employing fire prevention and protection measures, onsite emergency plans and mock drills, among others. An incidence of fire occurred at MNL's manufacturing unit due to short circuit on October 20, 2022. The fire department was duly informed, and no casualties were reported. We suffered a loss of ₹9.91 million due to the incident. We cannot assure you that such incidents may not occur in the future. In the event that any of our manufacturing units or R&D centres are adversely affected due to fire, industrial accidents, or from improper handling of flammable and hazardous materials, we may be required to temporarily reduce our manufacturing capacity or ongoing research and/or suspend our operations, which could adversely affect our business, results of operations, financial condition and cash flows.

We may also be subject to environmental compliance risks, as well as the potential for discharges that could damage to the environment. In such instances, we may be compelled to incur costs to rectify the damage, as well as pay fines and other penalties for non-compliance with environmental regulations, which could adversely affect business, results of operations, financial condition and cash flows. For further details in relation to statutory and regulatory non-compliances, see "– *Internal Risk Factors – Legal and regulatory risks – The Indian pharmaceutical market is subject to extensive regulation and our failure to comply with the existing and future regulatory requirements in the pharmaceutical market could adversely affect our business, results of operations and financial condition.*" and "*Outstanding Litigation and Material Developments*" on pages 43 and 362.

20. ***We operate in a market that is highly competitive to provide outsourced pharmaceutical manufacturing services, particularly for formulations, to clients in India and other jurisdictions.***

As a CDMO in the pharmaceutical industry, we compete to provide a comprehensive range of pharmaceutical products and services to our clients. For our CDMO business, our primary competitors are full-service pharmaceutical outsourcing or CDMO companies, contract manufacturers focusing on a limited number of dosage forms, contract manufacturers providing multiple dosage forms, and large pharmaceutical companies offering third-party manufacturing services to fill their excess capacity. We also compete with other pharmaceutical companies involved in marketing pharmaceutical formulations and other API developers. See also "*Our Business – Competition*" on page 192.

Some of our competitors may possess substantially greater manufacturing, financial, marketing, technical, or other resources than us. This provides them with a potential advantage, enabling more agile responses to changes in market demand through the introduction of new, alternative, or emerging technologies. Further, our competitors may succeed in developing products that are more effective, more popular or cheaper than any products we may develop, which may render our products obsolete or uncompetitive, and we may be unable to achieve the desired growth. Should our competitors gain significant market share at our expense, particularly within our focused therapeutic areas, it could have an adverse effect on our business, results of operations, and financial condition.

21. ***We may pursue strategic acquisitions for inorganic growth. However, the integration of such acquisitions could result in operating difficulties, dilution and other adverse consequences.***

As part of our growth strategy, we may from time to time pursue strategic acquisitions or enter into partnerships to strengthen our competitive position in the pharmaceutical industry. The table below sets forth the details of our material acquisitions during the six months ended September 30, 2023 and the Financial Years 2023, 2022 and 2021:

Financial Year	Acquisition
Financial Year 2024	Acquisition of assets of Ankur Drugs and Pharma Limited from Edelweiss Asset Reconstruction Company Limited by PCHL.
Financial Year 2022	Acquisition of assets of Origin Formulations Private Limited by AHL.
	Acquisition of infrastructural assets of Ankur Drugs and Pharma Limited from Edelweiss Asset Reconstruction Company Limited by PCHL.
Financial Year 2021	Acquisition of ALL (erstwhile Parabolic Drugs Limited) through insolvency proceedings before the National Company Law Tribunal, Chandigarh.
	Acquisition of infrastructural assets from Lakhani Shoes & Apparels Private Limited by PCHL.

As part of our growth strategy, we actively seek to make acquisitions. However, acquisitions can be time-consuming to execute and may not be accretive to our overall business and result in increased integration costs due to regulatory complexities or otherwise. The identification of suitable opportunities on commercially reasonable terms and securing the necessary financing for such acquisitions can pose challenges. Moreover, the integration of acquired businesses or investments is not guaranteed, and the profitability of such investments is uncertain. For instance, in connection with our acquisition of Parabolic Drugs Limited in Financial Year 2021, we had to incur significant expenditure to obtain regulatory approvals, resulting in delays in commencing manufacturing and exporting our products. Our inability to successfully identify, acquire and integrate suitable opportunities on commercially reasonable terms could adversely affect our business, financial condition, cash flows and results of operations.

22. ***The failure, inadequacy or breach of our information technology systems or our business processes regarding confidential information and other data, unauthorized access to our confidential information or violations of data protection laws could have an adverse effect on our business, results of operations, financial condition and cash flows.***

Our business and operations are dependent upon increasingly complex and interdependent information technology systems, including enterprise applications and cloud-based applications managed through security monitoring tools and processes. IT systems are vulnerable to breakdown, system problems and inadequacies, service interruptions and failures, security breaches, and malicious intrusions or cyber-attacks from a variety of sources such as ransomware, phishing emails and other such computer viruses. Cyber-attacks are growing in their frequency, sophistication and intensity, and are becoming increasingly difficult to detect, mitigate or prevent. In addition, our systems are potentially vulnerable to data security breaches, whether by employees or others that may expose sensitive data to unauthorized persons. Such data security breaches could lead to loss of trade secrets or other intellectual property, or lead to the public exposure of personal information (including sensitive personal information) of our employees, clients and others. For instance, due to a fraud conducted by a third party on certain payment information, we incurred a loss amounting to ₹5.20 million during the Financial Year 2023. While have restricted the access rights to certain of our systems to minimize exposure of sensitive data to unauthorized persons, we cannot assure you that we will not encounter instances of major system breakdowns, inadequacies, interruptions, breaches, intrusions or cyber-attacks in the future. Any such events could have an adverse effect on our business, results of operations, financial condition and cash flows.

Further, we are subject to laws and regulations relating to privacy and the collection, storing, sharing, use, disclosure, and protection of certain types of data. These laws and regulations may continually change as a result of new legislation, amendments to existing legislation, changes in the enforcement policies and changes in the interpretation of such laws and regulations by the courts or the regulators. For instance, on August 11, 2023, the President assented to the PDP Bill 2023, thereby passing the Digital Personal Data Protection Act, 2023 (the "**PDP Act**"). The PDP Act aims to govern the processing of digital personal data for lawful purposes, while simultaneously ensuring the right of individuals to protect their personal data. Our failure to comply with the applicable laws and regulations relating to privacy and data protection could have an adverse effect on our business, results of operations, financial condition and cash flows.

23. ***We are dependent on our individual Promoters, Senior Management Personnel and Key Managerial Personnel, and the loss of or our inability to attract or retain such persons could adversely affect our business, results of operations, financial condition and cash flows.***

Our performance depends largely on the efforts and abilities of our individual Promoters, namely, Sanjeev Jain and Sandeep Jain, our Senior Management Personnel and Key Managerial Personnel. For details, see "*Our Management*", "*Our Promoters and Promoter Group*" and "*Our Business – Employees*" beginning on pages 219, 237 and 192, respectively. We believe that their experience and inputs are valuable for the growth and development of our business, operations and the strategic decisions taken by us. We cannot assure you that we will be able to retain these personnel or find adequate replacements in a timely manner, or at all.

The continued operations and growth of our business is dependent upon our ability to attract and retain personnel, who have the necessary and required experience and expertise in the industry. Competition for qualified personnel with relevant industry expertise in India is intense. A loss of the services of our Key Managerial Personnel and Senior Management Personnel may adversely affect our business, results of operations, financial condition and cash flows. See "*Our Business – Competition*" on page 192.

During the six months ended September 30, 2023 and the Financial Years 2023, 2022 and 2021, we had the following changes in our Key Managerial Personnel and Senior Management Personnel:

Name	Date of change	Reason for change
Ashish Sharma	August 14, 2023	Appointment as Vice President ESG and sustainability of PCHL
Anil Gaur	August 3, 2023	Resignation as Chief People Officer of MLPL
Sunil Jaiswal	July 05, 2023	Appointment as the Vice President of Research and Development of our Company
Arvind Srivastava	December 16, 2022	Appointment as President, Human Resources of our Company
Sanjay Verma	July 19, 2022	Resignation as Vice President Information Technology of PCHL
Sumeet Sood	February 14, 2022	Appointment as the Chief Financial Officer of our Company
Jitendra Mishra	August 1, 2022	Appointment as Vice President Information Technology of PCHL
Vinod Raheja	January 4, 2022	Resignation as the Chief Financial Officer of our Company
Anil Gaur	September 16, 2021	Appointment as Chief People Officer of MLPL
Sanjay Sharma	December 01, 2021	Appointment as President, Strategy, New Projects and Business Excellence of our Company

Our business and operations are also dependent upon our team, comprising research scientists or scholars, pharmacists, chartered accountants and management school graduates, the loss of whose services might significantly delay or prevent the achievement of our business or scientific objectives. The table below provides details of the number of our full-time employees and their attrition rate for the six months ended September 30, 2023 and the Financial Years 2023, 2022 and 2021.

Particulars	For the six months ended September 30, 2023	For the Financial Year 2023	For the Financial Year 2022	For the Financial Year 2021
Number of employees	7,211	6,986	6,870	5,466
Attrition rate of employees (%)	22.35	43.74	39.26	46.61

Competition among pharmaceutical companies for employees is intense, and the ability to retain and attract employees is critical to our success. Furthermore, as we expect to continue to expand our operations and develop new products, we will need to continue to attract and retain experienced employees. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such persons may have an adverse effect on our business, results of operations, financial condition and cash flows.

Risks relating our financial condition and cash flows

24. ***Our business requires significant capital expenditure. If we are unable to have access to capital, it may adversely affect our business, results of operations, cash flows and financial condition.***

Our business requires significant capital expenditure. For instance, we require a significant amount of capital for establishing manufacturing units, including in relation to procurement of land and requisite equipment. Any delays in procurement of the capital required for our operations may lead to delay in our operations such as, among others, setting up of new manufacturing units, upgrading the equipment at our manufacturing units, product diversification, and enhancement of research and development initiatives, which may lead to losses on account of cost viability and loss of market opportunities. Set forth below are the details of the capital expenditure incurred by us for the period/years indicated for our CDMO business:

Capital expenditure	For the six months ended September 30, 2023		For the Financial Year					
			2023		2022		2021	
	(₹ in millions)	% of revenue from operations	(₹ in millions)	% of revenue from operations	(₹ in millions)	% of revenue from operations	(₹ in millions)	% of revenue from operations
CDMO business	1,360.77	6.33	2,879.10	7.88	1,970.12	5.37	1,066.90	3.92

Our future capital requirements may differ from estimates due to a number of factors including, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, technological changes, and additional market developments, pursuant to which, we may have to avail additional financing through incurrence of debt, issuance of equity securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, which may have a significant effect on our profitability and cash flows. We may also become subject to additional restrictive covenants in our financing agreements, which could limit our ability to access cash flows from operations and undertake certain types of transactions. Any issuance of equity, on the other hand, would result in a dilution of the shareholding of existing shareholders. If any of the foregoing were to occur, our business, results of operations, cash flows and financial condition could be adversely affected.

25. ***We have had negative cash flows from investing activities during the six months ended September 30, 2023. Negative cash flows over extended periods, or significant negative cash flows in the short term, could affect our ability to operate our business and implement our growth plans.***

We have experienced negative cash flows in the past. The following table sets forth our cash flows for the periods/years indicated:

Particulars	Six months ended September 30,		Financial Year		
	2023	2022	2023	2022	2021
	(in ₹ millions)				
Net cash generated from/ (used in) operating activities	632.57	(1,348.80)	1,766.31	318.54	1,306.14
Net cash (used in) investing activities	(1,333.55)	(2,159.33)	(3,047.02)	(2,348.22)	(1,093.85)
Net cash generated from/ (used in) financing activities	1,361.20	3,415.41	1,245.40	2,360.40	(914.62)
Net increase/ (decrease) in cash and cash equivalents	660.22	(92.72)	(35.31)	330.72	(702.33)

For further details, see "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 244 and 333, respectively. We cannot assure you that our net cash flow will be positive in the future. Negative cash flows over extended periods, or significant negative cash flows in the short term, could affect our ability to operate our business and implement our growth plans.

26. ***We have incurred losses in the past and may incur losses in the future.***

Our ability to operate profitably depends on a number of factors, some of which are beyond our control. While we recorded profits during the Financial Years 2021 and 2023 and the six months ended September 30, 2022, we incurred losses aggregating to ₹2,508.74 million during the Financial Year 2022 and ₹1,547.39 million during the six months ended September 30, 2023. These losses were primarily due to expenses relating to fair value changes to financial instruments (put option liability) of ₹4,941.74 million during Financial Year 2022 as compared to ₹538.23 million during the Financial Year 2021, and ₹2,536.46 million during the six months ended September 30, 2023 from a credit of ₹263.27 million during the six months ended September 30, 2022.

The put option liability arose as a result of a buy-back obligation on our Company account of certain exit rights granted to Ruby QC Investment Holdings Pte. Ltd. (the "**Investor**") by our Company, under the SHA. Under such exit rights, our Company is required to buy-back the Equity Shares held by the Investor at the fair market value of the Equity Shares in case our Company is not able to provide them alternate exit route as mentioned in the SHA. For further details, see "*History and Certain Corporate Matters - Shareholders' agreements and other agreements*" on page 216. This put option liability or the buy-back obligation is recognised as a financial liability and is re-measured at each accounting date and has been recognised as fair value changes to the financial instrument in the Restated Consolidated Financial Information in accordance with Ind AS 109 'Financial Instruments' applicable to our Company.

The table below shows the effect of the put option liability on our net worth as well as the fair value changes in our statement of profit and loss as of and for the periods ended:

Particulars	Six months ended September 30, 2023	Financial Year 2023	Financial Year 2022	Financial Year 2021
	(in ₹ millions)			
Put option liability	12,612.50	10,076.04	10,515.74	5,574.00
Fair value changes to financial instruments	2,536.46	(439.69)	4,941.74	538.23

For additional details, see "*Restated Consolidated Financial Information – Note 20 – Other Financial Liabilities*" on page 281. While the put option liability would be extinguished upon successful completion of the Offer, we cannot assure that we will not incur additional losses in the future due to fair value changes in case the Offer is not completed.

27. ***Our inability to collect receivables and instances of payment default by our clients could result in the reduction of our profits and affect our cash flows, adversely affecting business, results of operations, financial condition and cash flows.***

Our inability to collect receivables and instances of payment default by our clients have the potential to diminish our profits and affect our cash flows. We offer clients specific credit periods as part of our standard payment terms. Although we typically assess and limit the credit extended to clients based on their financial standing and payment history, there remains a risk that clients may face financial difficulties, rendering them unable to fulfil their payment obligations. Consequently, our estimates may prove to be inaccurate, resulting in financial challenges. Set forth below are details of our trade receivables outstanding as of September 30, 2023, along with the bad debts and provision for expected credit losses for the periods/years indicated:

Trade Receivables	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years
	(₹ in millions)				
CDMO business	3,027.00	290.64	93.06	38.49	56.94
Branded and generic formulations business	803.03	135.43	220.77	7.50	36.63
API business	454.68	8.83	2.03	0.00	–
Elimination	(11.75)	(0.01)	0.01	0.01	(0.01)
Total	**4,296.46**	**434.90**	**315.84**	**45.98**	**93.58**

Particulars	For the six months ended September 30, 2023		For the Financial Year					
			2023		2022		2021	
	(₹ in millions)	% of revenue from operations	(₹ in millions)	% of revenue from operations	(₹ in millions)	% of revenue from operations	(₹ in millions)	% of revenue from operations
Bad debts	5.13	0.02	24.58	0.07	67.74	0.18	52.83	0.19
Provision for expected credit losses	56.09	0.26	18.65	0.05	132.27	0.36	87.11	0.32

For details, see "*Restated Consolidated Financial Information*" on page 244.

Any escalation in our receivable turnover days or instances of write-offs or inadequacy in provisions for doubtful receivables could adversely affect our business, results of operations, financial condition and cash flows.

28. ***Our insurance coverage may not be sufficient or adequate to cover our losses and liabilities. If we suffer a large uninsured loss or an insured loss that significantly exceeds our insurance coverage, our business, results of operations, financial condition and cash flows may be adversely affected.***

Our business and operations are subject to hazards inherent in sales and manufacturing, such as risks of equipment failure, work accidents, fire, natural disasters and other force majeure events, acts of terrorism and explosions, including hazards that may cause injury and loss of life, damage or destruction of property and equipment, environmental damage, and non-payment of amounts due to us by our clients, and product returns, among others. We may also be subject to product liability claims if the products that we manufacture are not in compliance with regulatory standards and the terms of our contractual arrangements.

Our principal types of coverage include insurance for fire, burglary, loss of profit, money, group mediclaim, group personal accident, workmen compensation, boilers, comprehensive liability, crime, cyber crime, director liability, standalone terrorism, clinical trial, and marine insurance, among others. Set forth below are the details of our total assets and the insurance coverage on such assets:

Particulars	For the six months ended September 30, 2023	For the Financial Year		
		2023	2022	2021
Total assets (*in ₹ million*) (A)	36,046.13	32,665.27	30,690.48	21,668.71
Total book value of assets on which insurance has been taken (*in ₹ million*) (B)	17,856.77	18,007.90	16,520.60	12,320.56
Insurance coverage (*in ₹ million*) (C)	28,837.74	27,887.46	24,368.41	11,332.10
% of insurance coverage (%) (C/B)	161.49	154.86	147.50	91.97

While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. We have outstanding insurance claims amounting to ₹283.01 million as of September 30, 2023. We have received a repudiation letter in relation to our claims amounting to ₹69.60 million pertaining to the losses incurred by us due to floods at our manufacturing unit at Dera Bassi, Punjab. We cannot assure you that we will not write off any insurance claims receivables in the future, or that we will be able to receive the claimed amount in a timely manner or at all, which may adversely affect our results of operations, cash flows and financial condition.

In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner at acceptable costs or at all. To the extent that we suffer loss or damage, for which we have not obtained or maintained insurance, or which is not covered by insurance, which exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our business, results of operations, financial condition and cash flows could be adversely affected.

29. ***Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, financial condition, cash flows and results of operations.***

As of September 30, 2023 our total borrowings amounted to ₹7,077.51 million. Our ability to meet our obligations under our debt financing arrangements, which comprise term loans and working capital demand loans from time to time, and repayment of our outstanding borrowings will depend primarily on the cash generated by our business. Our financing agreements generally include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions such as:

- any change in the capital structure, shareholding pattern, ownership, management, or control, including any dilution in the shareholding of our Promoters and Promoter Group;
- any amendments to our constitutional documents;
- undertaking any merger amalgamation, compromise or reconstruction;
- opening a new bank account;
- prior repayment of the credit facility;
- effecting any dividend pay-out in case of delay in debt servicing or breach of any financial covenants; and
- undertaking any new business or operations or project or diversification of business.

These covenants vary depending on the requirements of the financial institution extending the loan and the conditions negotiated under each financing document, and may restrict or delay certain actions or initiatives that we may propose to take from time to time. For instance, one of our lenders requires that post the Offer, our Promoters and Promoter Group should continue to hold at least 51.00% of our paid up Equity Share capital and retain management control.

Our ability to make payments on our indebtedness will depend on our future performance and our ability to generate cash, which to a certain extent is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, many of which are beyond our control. If our future cash flows from operations and other capital resources are insufficient to pay our debt obligations, meet our contractual obligations, or to fund our other liquidity needs, we may be forced to sell assets or attempt to restructure or refinance our existing indebtedness. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business and operations. In addition, any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our creditworthiness and/or any credit rating we may hold, which could harm our ability to incur additional indebtedness on acceptable terms.

In the six months ended September 30, 2023 and the Financial Years 2023, 2022 and 2021, certain of our Subsidiaries were not in compliance with certain financial covenants under several financing agreements. Details of such instances of non-compliances are set forth below:

Entity	Period of non-compliance	Nature of covenants which were not complied with
Maxcure Nutravedics Limited	Financial Year 2023	Total debt to EBITDA ratio
ALL	Financial Year 2023	EBITDA margin and external debt to EBITDA ratio

We have obtained waivers from the relevant lenders with respect to all the above-mentioned instances of non-compliances, and none of our lenders have required us to repay any part of our borrowings, undertaken any other enforcement actions or otherwise exercised their rights under the financing agreements as a result of any of our non-compliances. We cannot assure you that in future also we will be able to have condonation or relief from banks for any breach of financial and other covenant. Also, in the event we breach any financial or other covenants contained in any of our financing arrangements or in the event we had breached any terms in the past, which is noticed in the future, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. Any of the foregoing could adversely affect our business, financial condition, cash flows and results of operations.

30. ***We have certain contingent liabilities, which, if they materialize, may affect our results of operations, financial condition and cash flows.***

As of September 30, 2023, we had the following contingent liabilities (as per Ind AS 37):

Particulars	As of September 30, 2023 (₹ in million)
Income tax matters	768.80
Product pricing related matters	106.40
Others	3.15
Total	**878.35**

We cannot assure you that we will not incur similar or increased levels of contingent liabilities in the future. If any of our contingent liabilities materialize, it could have an adverse effect on our results of operations, financial condition and cash flows. For details, see "*Restated Consolidated Financial Information – Note 41. Contingent Liabilities and Litigation*" on page 290.

31. ***Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.***

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. 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 deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. Additionally, our ability to pay dividends may also be restricted by the terms of financing arrangements that we may enter into. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. For details, see "*Financial Indebtedness*" on page 329. We cannot assure you that we will be able to pay dividends in the future. For further details, see "*Dividend Policy*" on page 243.

32. ***If we fail to establish and maintain effective internal control over our financial reporting, we may have misstatements in our financial statements and we may not be able to report our financial results in a timely manner and as a result current and potential investors could lose confidence in our financial reporting.***

If we fail to maintain the adequacy of our internal controls, we may be unable to provide financial information in a timely and reliable manner. Any such difficulties or failure may have an adverse effect on our business, financial condition and operating results. In the event that we are able to identify any errors or issues with our internal controls over financial reporting and we are not able to remedy the weakness in a timely manner, we may not be able to provide financial information in a timely and reliable manner and we may incorrectly report financial information, either of which could subject us to sanctions or investigation by regulatory authorities. In addition, there could be a negative reaction in the financial markets due to a loss of confidence in the reliability of our financial statements.

Legal and regulatory risks

33. ***The Indian pharmaceutical market is subject to extensive regulation and our failure to comply with the existing and future regulatory requirements in the pharmaceutical market could adversely affect our business, results of operations and financial condition.***

We are subject to laws and government regulations in India and other jurisdictions in relation to our manufacturing operations, safety, health, environmental protection and labour. Further, our products, including the process of manufacture, storage and distribution of our products, are subject to numerous laws and government regulations in relation to quality, safety and health. For details on laws and government regulations applicable to our business, see "*Key Regulations and Policies in India*" on page 194.

We are required to obtain and maintain a number of statutory and regulatory permits, licenses and approvals under central, state and local government rules in India, generally for carrying out our business and for each of our manufacturing units. For details of applicable regulations and material approvals relating to our business and operations, see "*Key Regulations and Policies in India*" and "*Government and Other Approvals*" on pages 194 and 386, respectively. Further, our manufacturing units may also be subject to audits by and approval of international regulatory authorities.

We are in the process of obtaining relevant statutory permits and licenses such as authorisation under the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, consent to establish under the Water (Prevention and Control of Pollution Act) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981 and consent to operate under the Water (Prevention and Control of Pollution Act) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981 for our API manufacturing unit at Barwala, Haryana. While we apply for such approvals, we cannot assure you that such approvals will be issued or granted to us in a timely manner, or at all. If we do not receive such approvals or are not able to renew the approvals in a timely manner, our business, results of operations and financial condition may be adversely affected.

We may also incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business, results of operations and financial condition. Since February 2022, we have faced 11 instances of revocation of/proposal to revoke environmental clearance permits for our API manufacturing unit at Dera Bassi, Punjab on account of non-compliance with the terms and conditions mentioned in such permits, as a result of which, we had to pay environmental compensation amounting to ₹1.3 million. Additionally, the import-export codes ("**IEC**") of our Company and our erstwhile Subsidiary, ALL, which has now merged into another of our Subsidiaries, PCHL (for further details, see *"— History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years"* on page 207), were included in the denied entry list ("**DEL**") maintained by the Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of India. We have created a provision for sales tax of ₹55.00 million in our Restated Consolidated Financial Information in this regard. While the Additional Director General of Foreign Trade, Ludhiana, Punjab has revoked this imposition on ALL pursuant to its letter dated September 22, 2023, we are still in the process of obtaining such revocation of our Company's IEC from the DEL. Further, a warning letter dated November 28, 2023 was issued by the Office of Commissioner, Food Safety and Drug Administration, Uttarakhand in relation to one of our manufacturing units at Haridwar, Uttarakhand, directing us to ensure good manufacturing and good laboratory practices norms in manufacturing and testing of drug products at the manufacturing unit.

The table below sets out details of statutory penalties imposed on us during the six months ended September 30, 2023 and the Financial Years 2023, 2022 and 2021:

Particulars	During the six months ended September 30, 2023	During the Financial Year		
		2023	2022	2021
Penalties imposed under Section 37 of the Income Tax Act, 1961 (*₹ in million*)	0.41	0.07	0.62	0.18

Our international expansion efforts may expose us to intricate regulatory requirements, potentially imposing substantial compliance costs on our operations. For instance, we are actively involved in the sale of branded formulations and prescriptions through our subsidiaries, Akumentis and Unosource. Adapting to and ensuring compliance with these evolving regulatory frameworks is essential to navigate the complexities of international markets successfully. Failure to do so may result in increased compliance costs and operational challenges, which could negatively affect our business, results of operations and financial condition.

If we fail to comply with applicable statutory or regulatory requirements, there could be a delay in the submission or grant of approval for sale of new products. In many of the international markets where the products manufactured by us are ultimately sold, the approval process for a new product can be complex, lengthy and expensive. If we fail to obtain, maintain or renew such approvals, licenses, registrations and permissions, in a timely manner or at all, our business, results of operations, cash flows and financial condition may be adversely affected.

34. ***The API manufacturing unit of our Subsidiary, Pure and Cure Healthcare Private Limited, has been subject to regulatory actions by the Punjab Pollution Control Board in relation to non-compliance with conditions stipulated in the environmental approvals granted.***

The API manufacturing unit of our Subsidiary, PCHL, at Dera Bassi, Punjab (the "**Plant**"), has been subject to regulatory actions by the Punjab Pollution Control Board ("**PPCB**") on account of alleged non-compliance with conditions stipulated in the environmental approvals granted to the Plant. Our Company acquired Parabolic Drugs Limited (which owned the Plant) in January 2021, further to a resolution plan approved by the National Company Law Tribunal, Chandigarh, in accordance with the applicable provisions of the Insolvency and Bankruptcy Code, 2016. Post the acquisition, the name of Parabolic Drugs Limited was changed to ALL. ALL was merged with PCHL with effect from April 1, 2022. For further details regarding the acquisition of Parabolic Drugs Limited and the merger of ALL with PCHL, see "*History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years*" on page 207.

Since February 2022, applications made by ALL for renewal of consents to operate ("**CTOs**") granted under the Air (Prevention and Control of Pollution) Act, 1981 ("**Air Act**") and the Water (Prevention and Control of Pollution Act) Act, 1974 ("**Water Act**") and the authorisation granted under the Hazardous and Other Wastes (Management, Handling and Transboundary Movement) Rules, 2016 ("**HWM Rules**" and such authorization, **"HWM Authorisation**") have been rejected by the PPCB and certain show-cause notices have been issued for cancellation/revocation of the aforesaid approvals due to alleged non-compliance with the conditions mentioned in such approvals and violation of the provisions of the Air Act, Water Act, and the HWM Rules. In March 2023, owing to alleged dumping of untreated effluents outside the premises of the Plant and non-compliance by the Plant with the conditions mentioned in the aforesaid environmental approvals, the Plant was directed by the PPCB to shut down and electricity to the Plant was also directed to be discontinued. Further, the aforesaid environmental approvals were revoked by the PPCB in April 2023. The PPCB has also imposed an environmental compensation of an aggregate amount of ₹1.3 million on the Plant from May 2022 to March 2023. Simultaneously, an application was also made by a civilian before the National Green Tribunal, New Delhi ("**NGT**") basis complaints made to the PPCB alleging, among other things, death of animals and spread of disease due to discharge of industrial effluents from the Plant. While the complainant has withdrawn the complaint through his letter dated December 22, 2023, addressed to the Chairperson of the NGT, the matter is still pending before the NGT. For further details regarding the show-cause notices issued by the PPCB and the proceedings before the NGT regarding the Plant, see "*Outstanding Litigation and Material Developments – Litigation involving our Subsidiaries - Litigations Against our Subsidiaries - Actions taken by Regulatory and Statutory Authorities*" on page 381.

The details of revenue contribution of the Plant as a percentage of the (i) total revenue from operations on a consolidated basis; and (ii) revenue from the API manufacturing business, for the six months ended September 30, 2023 and the Financial Years 2023, 2022 and 2021 are as follows:

Particulars	**For the six months ended September 30, 2023**	**For the Financial Year**		
		2023	**2022**	**2021**
Revenue contribution from the Plant *(₹ in millions)*	867.39	1,587.27	1,055.23	6.72
% of total revenue from operations	4.03	4.34	2.87	0.02
% of revenue from our API business	92.93	89.55	96.53	100.00

The Plant has been issued conditional CTOs dated December 20, 2023 under the Water Act and Air Act and a conditional authorization dated January 2, 2024 under the HWM Rules (together, the "**Conditional Approvals**"), all of which are valid up to February 29, 2024. Under the Conditional Approvals, the Plant is required to adhere to specific terms and conditions, which include, among others, completion of an environmental audit study report encompassing both the area inside and outside the Plant, that effluent should not be discharged at any unauthorized location through any unauthorized means, and that stringent measures are to be implemented to prevent creation of nuisance in the surrounding areas, ensuring absence of public complaints. Further, the Plant is strictly prohibited from generating any hazardous waste beyond the categories explicitly mentioned in the Conditional Approvals.

There can be no assurance that the Plant will be able to fulfill the prescribed conditions in a timely manner or at all or will be able comply with applicable environmental laws. In case the Plant fails to comply with the aforementioned conditions in a timely manner or at all, the PPCB may initiate appropriate actions against the Plant and PCHL, including imposition of penalties and a temporary or permanent shutdown of the Plant. Furthermore, in the event that the conditional environmental approvals granted to the Plant are revoked by the PPCB on account of non-compliance with the conditions mentioned therein, or expire prior to satisfaction of the conditions stipulated therein, PCHL will be required to make new applications for obtaining necessary approvals. Furthermore, no assurance can be provided that such incidents of environmental non-compliance and/or actions by regulatory authorities on account of such non-compliance will not occur at other manufacturing facilities or R&D centers of our Company and its Subsidiaries.

Additionally, there can be no assurance that the NGT will not levy penalties or impose restrictions or onerous conditions on the Plant in the ongoing proceedings pending before it. While the complaint made to the NGT in respect of the Plant has been withdrawn by the complainant, there can be no assurance that another complaint with similar or new allegations will not be made in the future against the concerned Plant or other manufacturing facilities of our Company and its Subsidiaries. Furthermore, given the uncertainty surrounding such legal proceedings, the manufacturing operations at the Plant may be adversely affected if any such legal proceedings are initiated against PCHL and/or our Company with respect to the Plant, which may in turn have an adverse impact on our business, particularly our API business, results of operations and financial condition.

35. ***We may be unable to obtain and maintain the intellectual property rights for our brands or protect our proprietary information.***

We depend upon our intellectual property rights in relation to our research capabilities and the consequent manufacturing rights available to us. As of September 30, 2023, we have procured five patents and 1,391 trademarks to protect our proprietary intellectual property. While our Company has its trademark in its name registered under several classes, one of them is "objected" under class 44. See "*Our Business – Intellectual Property*" and "*Government and Other Approvals*" on page 192 and page 386, respectively.

Due to the different regulatory bodies and varying global requirements, we may be unable to obtain intellectual property protection in those jurisdictions for certain aspects of the products that we may research upon or manufacture, or the processes involved in relation thereto. While we intend to defend against any threats to our intellectual property, we cannot assure you that our patents, trade secrets or other agreements will adequately protect our intellectual property. Our patent rights may not prevent our competitors from developing, using or commercializing products that are functionally equivalent or similar to the products that we manufacture. Further, our patent applications may fail to result in patents being issued, and our existing and future patents may be insufficient to provide us with meaningful protection or a commercial advantage.

We also rely on non-disclosure agreements and non-compete agreements with certain employees, consultants and other parties to protect trade secrets and other proprietary rights that belong to us. While we have not faced any such instances in the past, we cannot assure you that these agreements will not be breached, that we will have adequate remedies for any breach or that third parties will not otherwise gain access to our trade secrets or proprietary knowledge. Any inability to patent new processes and protect our proprietary information or other intellectual property, could adversely affect our business and results of operations.

We cannot assure you that patents issued to or licensed by us in the past or in the future will not be challenged or circumvented by competitors or that such patents will be found to be valid or sufficiently broad to protect our processes or to provide us with any competitive advantage. For instance, we are currently litigating six trademark and five patent suits. For details on disputes pertaining to our intellectual property rights, see "*Outstanding Litigation and Material Developments*" on page 362. We may also be required to negotiate licenses for patents from third parties to conduct our business, which may not be available on reasonable terms or at all. Further, we may also face instances of certain companies passing-off their counterfeit or spurious products as products either manufactured or sold by us. Any of the foregoing could adversely affect our reputation, goodwill and results of operations.

36. ***Reforms in the healthcare industry and the uncertainty associated with pharmaceutical pricing, reimbursement and related matters could adversely affect the marketing, pricing and demand for our products.***

Our success will depend in part on the extent to which government and health administration authorities, private health insurers and other third-party payers will pay for our products. In many countries, including India, pharmaceutical prices are subject to regulation. Price controls operate differently in different countries and can cause wide variations in prices between markets. Currency fluctuations can aggravate these differences. The existence of price controls can limit the revenues we earn from our products. For example, in India, prices of certain pharmaceutical products are determined by the Drug Prices Control Order, 2013 ("**DPCO**"), promulgated by the Government of India and administered by the National Pharmaceutical Pricing Authority ("**NPPA**"). If a given pharmaceutical product falls within the DPCO, the product's price could be significantly lower than what its market price would be without such price restriction. Any changes to these prices stipulated by the DPCO, NPPA or other similar authorities, or the inclusion of other of our pharmaceutical products not currently within the DPCO, could have an adverse effect on our profitability. The NPPA has issued show cause notices to our Company and our Subsidiaries in relation to the products manufactured/marketed by us including, a letter dated November 23, 2021 from the NPPA alleging that our Company and our Subsidiary NHL have been selling Meropenem injection IP in contravention of Para 20 of the DPCO by increasing maximum retail price of the said product beyond 10% during the preceding twelve months. For further information, see "*Outstanding Litigation and Material Developments – Litigation against our Company – Actions taken by regulatory and statutory authorities*" on page 374. Any unforeseen changes in the regulatory environment in relation to prices of our products, or our inability to comply with the applicable regulatory requirements could adversely affect our business, results of operations and cash flows.

37. ***Certain of our corporate records, filings and instruments of transfer are not traceable. We cannot assure you that no legal proceedings or regulatory actions will be initiated against us in the future in relation to any such discrepancies.***

The share transfer forms for certain transfers of equity shares made in the past could not be traced as the relevant documents were not available in the records maintained by our Company or parties to such transfers, including our Promoters. We have not been able to trace share transfer forms in relation to the following transfers made to and by our Promoters:

Date of allotment/ transfer	Number of equity shares	Nature of transaction	Nature of consideration	Face value per equity share (₹)	Issue Price/ Transfer price per equity share (₹)
January 31, 2009	7,500	Transfer of 7,500 equity shares from Akums Pharmaceuticals Private Limited to Sanjeev Jain	Cash	10	20
January 31, 2009	7,500	Transfer of 7,500 equity shares from Akums Pharmaceuticals Private Limited to Sandeep Jain	Cash	10	20
December 14, 2008	50	Transfer of 50 equity shares from Vandana Jain jointly with Manan Jain to Sandeep Jain	Cash	10	20
December 14, 2008	76,800	Transfer of 76,800 equity shares from Vandana Jain to Sandeep Jain	Cash	10	20
December 14, 2008	65,200	Transfer of 65,200 equity shares from Dharam Chand Jain jointly with Sandeep Jain to Sandeep Jain	Gift	10	Not Applicable
December 14, 2008	1,250	Transfer of 1,250 equity shares from N.D. Sachdeva to Sandeep Jain	Cash	10	20
December 14, 2008	65,200	Transfer of 65,200 equity shares from Dharam Chand Jain jointly with Sanjeev Jain to Sanjeev Jain	Gift	10	Not Applicable
December 14, 2008	1,250	Transfer of 1,250 equity shares from M.P. Singh to Sanjeev Jain	Cash	10	20
November 9, 2007	23,375	Transfer of 23,375 equity shares from A.K. Laboratories to Sanjeev Jain	Cash	10	20
November 9, 2007	23,375	Transfer of 23,375 equity shares from A.K. Laboratories to Sandeep Jain	Cash	10	20

To determine the details of the aforementioned transfers, we have relied on alternative documents such as annual returns filed by our Company, board noting, and bank account statements of our Promoters. For further details, see "*Capital Structure*" beginning on page 72.

Further, certain board resolutions approving the issuance of equity shares allotted pursuant to board resolutions dated March 31, 2005 and December 14, 2005 are not traceable in our records. We have obtained a certificate dated February 6, 2024 from SPG and Associates, a peer reviewed firm of company secretaries, in relation to untraceable corporate records such as the aforementioned board resolutions.

While we have not been subject to any regulatory action or legal proceedings on account of such delay, we cannot assure you that we will not be subject to legal proceedings, regulatory action or penalties imposed by statutory or regulatory authorities in this respect in the future, which may adversely affect our business, financial condition, results of operations and reputation.

38. ***Our Company had issued Equity Shares to more than 49 investors in the past, which may have been in non-compliance with the Companies Act, 1956.***

In the Financial Year 2005, our Company, through separate preferential allotments, allotted 1,005,000 and 120,000 equity shares of face value of ₹10 each, to 64 and 11 persons (the "**Original Allottees**") on December 13, 2004 and March 31, 2005, respectively (collectively, the "**Stated Allotments**"). This aggregated to a total of 1,125,000 equity shares at a price of ₹20 (face value of ₹ 10 with a premium of ₹ 10) per equity share by way of the allotment resolutions passed by our Board on December 13, 2004 and March 31, 2005, respectively.

In terms of the first proviso to Section 67(3) of the Companies Act, 1956, an offer or invitation for subscription of shares made to more than 49 persons was deemed to be a public offering, requiring compliance with the relevant provisions governing public offerings under applicable law including the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, each as amended, and the respective rules, regulations, guidelines and circulars issued thereunder.

Post notification of the Companies Act, 2013, as amended, SEBI, by way of its circular number CIR/CFD/DIL3/18/2015, dated December 31, 2015 (the "**2015 Circular**") and circular number CFD/DIL3/CIR/P/2016/53, dated May 3, 2016 (the "**2016 Circular**", and such circulars, together with the SEBI press release dated November 30, 2015, the "**SEBI Circulars**"), provided that companies involved in issuance of securities to more than 49 persons but up to 200 persons in a financial year prior to April 2014 may avoid penal action subject to fulfilment of certain conditions. Such conditions include, among others, an option to surrender such securities being provided to the current holders of such securities at an exit price, which is not less than the subscription amount along with interest at the rate of 15% p.a. (net of amounts already paid to such allottees as interest, dividend or otherwise) or such higher return as promised to the investors. It was clarified in a press release issued by SEBI on November 30, 2015, that the exit offer may be provided by the company itself or by the promoters or by other persons arranged by the company or its promoters.

As the Stated Allotments may be construed to have not been in compliance with the Companies Act, 1956, as a matter of abundant caution for better corporate governance, our Board, by way of a resolution dated November 21, 2023, nominated one of our current Promoters, Mr. Sanjeev Jain ("**Purchaser**"), to provide an exit offer pursuant to the SEBI Circulars.

Since our Company had not been able to trace the relevant documentation with respect to some of the transfers, the exit offer was provided to all existing shareholders of our Company whose names appeared in the register of members of our Company/ records of the depository as of November 15, 2023 (the "**Eligible Equity Shareholders**") at an offer price of ₹76.89 per Equity Share (the "**Purchase Consideration**"). T A M S & CO LLP, chartered accountants (an independent, peer reviewed chartered accountant firm), pursuant to its certificate dated November 20, 2023, certified the exit price to be offered to the Eligible Equity Shareholders of our Company.

The Purchaser had undertaken to provide an exit to the Eligible Equity Shareholders and had agreed to purchase up to a maximum of 82,371,410 Equity Shares at the Purchase Consideration. The Purchaser had agreed to the said invitation and being an Eligible Equity Shareholder himself had waived his right to participate in the exit offer.

The invitation to participate in the exit offer was made by the Purchaser to the Eligible Equity Shareholders on November 24, 2023, and the Eligible Equity Shareholders indicated their rejection to the offer through their responses dated November 30, 2023. T A M S & CO LLP & Company, through their certificate dated November 28, 2023, certified that the exit offer process was undertaken in compliance with the SEBI Circulars ("**Compliance Certificate**").

We had filed a compounding application before the RoC on November 29, 2023, for any deemed breach of the Companies Act, 1956, as amended, in relation to the Stated Allotment for compounding of alleged offences under Section 67(3) of the Companies Act, 1956. The application was heard before the Regional Director (Northern Region) on January 25, 2024 and an order was passed whereby the concerned proceedings were settled pursuant to imposition of compounding fee. Accordingly, an amount of ₹500,000 has been paid towards the compounding fees and the compounding application filed by us has been disposed of.

There can be no assurance that the RoC, SEBI or any other regulatory authority or court will not take any further action or initiate proceedings against our Company, Promoters, Directors and other officers in respect of the Stated Allotment in the future. Any such proceedings or actions which may be initiated in the future may divert management time and attention and may subject us to further regulatory consequences (including penalty or action) which may have an adverse effect on our business, financial condition and results of operations.

Risk factors relating to our promoters, promoter group and our management

39. ***The degree certificates of the educational qualifications of one of our Directors and certain Senior Management Personnel are not traceable.***

One of our Directors, Nand Lal Kalra, Independent Director and two of our Senior Management Personnel, Ashish Sharma (Vice President, ESG and Sustainability of PCHL) and Jitendra Mishra (Vice President, Information Technology of PCHL), have been unable to trace copies of documents pertaining to their educational qualifications, namely bachelor's degree in law, master's degree in sciences and bachelor's degree in commerce. While they have written letters to the concerned universities requesting for a copy of their degree certificates, a response from the universities is awaited and there is no assurance that the universities will respond to such letters in a timely manner or at all. Accordingly, reliance has been placed on certificates furnished by them to us and the BRLMs to disclose details of their educational qualifications in this Draft Red Herring Prospectus. We and the BRLMs have been unable to independently verify these details prior to inclusion in this Draft Red Herring Prospectus. Further, there can be no assurances that they will be able to trace the relevant documents pertaining to their educational qualifications in future or at all.

40. ***One of our individual Promoters may not have adequate educational qualifications.***

One of our individual Promoters and Managing Directors, namely, Sanjeev Jain has not received a formal educational degree. For details, see "*Our Management - Brief Biographies of Directors*" beginning on page 221. We cannot assure you that the lack of such formal educational qualification of Sanjeev Jain will not have any adverse impact on the management and/ or operations of the Company.

41. ***We will be controlled by our Promoters and members of the Promoter Group so long as they hold a majority of the Equity Shares, which will allow them to influence the outcome of certain matters submitted for approval of our Shareholders and their interests may differ from those of the other Shareholders.***

Our Promoters and members of the Promoter Group currently hold 84.91% of our issued and paid-up Equity Share capital, on a fully-diluted basis. After the completion of this Offer, our Promoters and members of the Promoter Group will continue to hold at least 51.00% of our Company's outstanding Equity Shares issued and paid-up Equity Share capital, on a fully-diluted basis. For details of their pre- and post-Offer shareholding, see "*Capital Structure*" on page 72.

Consequently, our Promoters and members of the Promoter Group will, after completion of the Offer and upon listing of the Equity Shares on the Stock Exchanges, continue to exercise significant influence or control over us and influence decisions requiring simple or special majority voting, and our other Shareholders may be unable to affect the outcome of such voting.

Our Promoters and members of the Promoter Group may, in the future, take or block actions with respect to our business which may conflict with our best interests or the interests of other minority shareholders, such as actions with respect to future capital raising. In addition, our Promoters could delay, defer or cause a change of our control or a change in our capital structure, a merger, consolidation, takeover or other business combination involving us or discourage or encourage a potential acquirer from acquiring us. We cannot assure you that our Promoters will always act to resolve any future conflicts of interest in our favour, thereby adversely affecting our business, results of operations and prospects.

42. ***We have in the past entered into related party transactions and may continue to do so in the future. We cannot assure you that we could not have achieved more favourable terms had such transactions not been entered into with related parties.***

We have in the past entered into certain transactions with related parties. While we believe that all our 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 had such transactions been entered into with unrelated parties. For details on related party transactions entered into by us, see "*Restated Consolidated Financial Information*" on page 244.

It is possible that we may enter into related party transactions in the future, subject to applicable laws. We cannot assure you that such future transactions, individually or in the aggregate, will not have an adverse effect on our business, financial condition, cash flows and results of operations or that we could not have achieved more favorable terms if such future transactions had not been entered into with related parties. See also "*Summary of Offer Document – Summary of Related Party Transactions*" on page 23.

43. ***The interests of our Promoters and Directors may cause conflicts of interest in the ordinary course of our business.***

Potential conflicts of interest may occur between our business and the business of such entities which have a similar line of business as our Company and in which our Promoters and Directors may have interest. Some of our Directors may be on the board of directors of certain companies engaged in businesses similar to our business. Further, our Promoters and certain of our Directors may also hold equity shares and be interested to the extent of any dividend payable to them by such entities. We cannot assure you that our Promoters and such Directors will not favour the interests of such entities over our interests in future or that we will be able to suitably resolve any such conflicts without an adverse effect on our business.

EXTERNAL RISK FACTORS

Risks Related to India

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

The Indian economy and capital markets are influenced by economic, political and market conditions in India and globally. We currently manufacture only in India and, as a result, are dependent on prevailing economic conditions in India. Our results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- the macroeconomic climate, including any increase in Indian interest rates or inflation;
- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian consumers and Indian corporates;
- volatility in, and actual or perceived trends in trading activity on, India’s principal stock exchanges;
- changes in India’s tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India’s various neighbouring countries;
- occurrence of natural or man-made disasters (such as typhoons, flooding, earthquakes and fires) which may cause us to suspend our operations;
- civil unrest, acts of violence, terrorist attacks, regional conflicts or situations or war; and
- epidemic, pandemic or any other public health in India or in countries in the region or globally, including in India’s various neighbouring countries;
- prevailing regional or global economic conditions, including in India’s principal export markets;
- any downgrading of India’s debt rating by a domestic or international rating agency;
- international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;
- logistical and communications challenges;
- financial instability in financial markets;
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms or on a timely basis;
- being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so; and
- other significant regulatory or economic developments in or affecting India or its pharmaceutical sector.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations, financial condition and cash flows.

45. ***Fluctuations in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of the Equity Shares, independent of our operating results.***

On listing, the Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of the Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For example, the exchange rate between the Indian Rupee and the U.S. dollar has fluctuated in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on the Equity Shares, independent of our operating results.

46. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, results of operations, financial condition and cash flows. Investors can be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares or dividend paid thereon.***

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

For instance, due to the COVID-19 pandemic, the Government of India also passed the Taxation and Other Laws (Relaxation of Certain Provisions) Act, 2020, implementing relaxations from certain requirements under, among others, the Central Goods and Service Tax Act, 2017 and Customs Tariff Act, 1975. Further, the Government of India has notified the Finance Act, 2023, which has introduced various amendments.

The Government of India has also proposed an alteration to the concessional basic customs duty rate on drugs, medicines, diagnostic kits or equipment and bulk drugs used in the manufacture of drugs and specified goods for use in the pharmaceutical and bio-technology sectors imported for use in research and development. In respect of goods and services tax ("**GST**"), the Government of India has restricted the availability of input tax credit in certain circumstances, such as where a vendor has been non-compliant with furnishing details of supply made to us or discharging GST. Further, the Finance Act, 2023 has proposed to consider perquisites or benefits arising from business whether convertible into money or not or payable in cash or kind, as taxable income. Such changes may adversely affect our business, results of operations, financial condition and cash flows.

We have not fully determined the effect of these recent and proposed laws and regulations on our business. We cannot predict whether any amendments made pursuant to the Finance Act 2023 would have an adverse effect on our business, results of operations, financial condition and cash flows. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. Uncertainty in the applicability, interpretation, or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current businesses or restrict our ability to grow our businesses in the future.

The Finance Act has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for the transfer of securities other than debentures is specified at 0.015% on a delivery basis, and 0.003% on a non-delivery basis, of the consideration amount.

Our Company cannot predict whether any tax laws or other regulations affecting it will be enacted or predict the nature and effect of any such laws or regulations or whether, if at all, any laws or regulations would have an adverse effect on our business, results of operations, financial condition and cash flows.

47. ***A downgrade in credit ratings of India may affect the trading price of the Equity Shares.***

India's sovereign debt rating could be downgraded due to several factors, including changes in tax or fiscal policy or a decline in India s foreign exchange reserves, all which are outside the control of our Company. Our borrowing costs and our access to the debt capital markets depend significantly on the sovereign credit ratings of India. Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional external financing, and the interest rates and other commercial terms at which such additional financing is 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 the Equity Shares.

48. ***If inflation rate rises in India, increased costs may result in a decline in profits.***

Inflation rates in India have been volatile in recent years, and such volatility may continue. India has experienced high inflation in the recent past. Increasing inflation in India could cause a rise in the costs of rent, wages, raw materials and other expenses. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our clients, whether entirely or in part, and may adversely affect our business and financial condition. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have an adverse effect on our business, financial condition, results of operations and cash flows. Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

49. *Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.*

Under foreign exchange regulations currently in force in India, the transfer of shares between non–residents and residents are freely permitted (subject to compliance with sectoral norms and certain other restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Further, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no–objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure you that any necessary approvals from the RBI or any other governmental agency can be obtained on any particular terms, or at all.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Rules, investments where the beneficial owner of the equity shares is situated in or is a citizen of a country which shares a land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or conditions or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 433.

50. *Our ability to raise foreign capital may be constrained by Indian law.*

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

51. *Subsequent to the listing of the Equity Shares, we may be subject to surveillance measures, such as the Additional Surveillance Measures and the Graded Surveillance Measures by the Stock Exchanges in order to enhance the integrity of the market and safeguard the interest of investors.*

Subsequent to the listing of the Equity Shares, we may be subject to Additional Surveillance Measures ("**ASM**") and Graded Surveillance Measures ("**GSM**") by the Stock Exchanges and the Securities and Exchange Board of India. These measures have been introduced to enhance the integrity of the market and safeguard the interest of investors. The criteria for shortlisting any security trading on the Stock Exchanges for ASM is based on objective criteria, which includes market-based parameters such as high low price variation, concentration of client accounts, close to close price variation, market capitalization, average daily trading volume and its change, and average delivery percentage, among others. A scrip is subject to GSM when the share price is not commensurate with the financial health and fundamentals of the company. Specific parameters for GSM include net worth, net fixed assets, PE, market capitalization and price to book value, among others. Factors within and beyond our control may lead to our securities being subject to GSM or ASM. In the event the Equity Shares are subject to such surveillance measures implemented by SEBI and the Stock Exchanges, we may be subject to certain additional restrictions in connection with trading of the Equity Shares such as limiting trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading which may have an adverse effect on the market price of the Equity Shares or may in general cause disruptions in the development of an active trading market for the Equity Shares.

52. *Compulsory licensing by the Indian Patent Office or by the patent offices in those jurisdictions where we distribute our products could have an adverse effect on our business, financial condition, cash flows and results of operations.*

Compulsory licensing refers to when a government allows another manufacturing company to produce the patented product or process without the consent of the patent owner. Our ability to enforce our patents depends on the laws of individual countries and each country's practice with respect to enforcement of intellectual property rights, and the extent to which certain jurisdictions may seek to engage in a policy of routine compulsory licensing of pharmaceutical intellectual property as a result of local political pressure or in the case of national emergencies. In India, under the Patents Act, 1970 ("**Patents Act**") any person, regardless of whether he is the holder of the license of that patent, can make an application to the Controller General of Patents, Designs and Trademarks for the grant of compulsory license on that patent, after the expiration of three years from the date of the grant of the patent. The Patents Act provides for such compulsory licensing under certain circumstances, such as the non-availability of the patented product to the public at affordable prices or inadequate working of the patented product. If the authorities in India or in other jurisdictions grant compulsory licensing for any of the pharmaceutical products we sell, this may result in an increase in generic competition and, in turn, a significant and rapid reduction in net sales for such products as generic versions are generally offered at sharply lower prices. As a result, the grant of a compulsory license may have an adverse effect on our business, financial condition, cash flows and results of operations.

53. ***Rights of shareholders under Indian laws may be different from 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 in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions.

54. ***We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could in turn adversely affect our business.***

The Competition Act, 2002, as amended (the "**Competition Act**") was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition ("**AAEC**") in certain markets in India and has mandated the Competition Commission of India (the "**CCI**") to separate such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an AAEC is deemed void and attracts substantial penalties.

Further, any agreement among competitors which directly or indirectly involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of clients in the relevant market is presumed to have an appreciable adverse effect on competition in the relevant market in India and shall be void. Further, the Competition Act prohibits abuse of dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance 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 contravention and liable to be punished.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Consequently, certain agreements entered into by us could be within the purview of the Competition Act. 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 AAEC in India. The effect of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. However, since we pursue an acquisition driven growth strategy, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, any enforcement proceedings initiated by the CCI, any adverse publicity that may be generated due to scrutiny or prosecution by the CCI, or any prohibition or substantial penalties levied under the Competition Act, which would adversely affect our business, results of operations, financial condition and cash flows.

The Government of India has also passed the Competition (Amendment) Act, 2023, which has proposed several amendments to the Competition Act, such as introduction of deal value thresholds for assessing whether a merger or acquisition qualifies as a "combination", expedited merger review timelines, codification of the lowest standard of "control" and enhanced penalties for providing false information or a failure to provide material information.

If we pursue acquisitions in the future, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, any enforcement proceedings initiated by the CCI, any adverse publicity that may be generated due to scrutiny or prosecution by the CCI, or any prohibition or substantial penalties levied under the Competition Act, which would adversely affect our business, results of operations, financial condition and cash flows.

55. ***Significant differences exist between Ind AS used to prepare our financial information and other accounting principles, such as IFRS and U.S. GAAP, with which investors may be more familiar.***

Our Restated Consolidated Financial Information for the six months ended September 30, 2023 and 30 September 30, 2022. and the Financial Years 2023, 2022 and 2021 included in this Draft Red Herring Prospectus is presented in conformity with Ind AS, in each case restated in accordance with the requirements of Section 26 of part I of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectus (Revised 2019)" issued by the ICAI. Ind AS differs from accounting principles with which prospective investors may be familiar, such as Indian GAAP, IFRS and U.S. GAAP. We have not attempted to quantify the effect of US 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 US GAAP or IFRS. US GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the Ind AS and Indian GAAP financial statements, which are restated as per the SEBI ICDR Regulations 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 be limited accordingly.

RISKS RELATED TO THE OFFER

56. ***This Draft Red Herring Prospectus contains information from third parties, including an industry report prepared by an independent third-party research agency, Frost & Sullivan (India) Private Limited, which we have commissioned and paid for, for the purpose of confirming our understanding of the industry we operate in, exclusively in connection with the Offer.***

We have exclusively commissioned and paid for the services of independent third-party research agency, Frost & Sullivan (India) Private Limited ("**F&S**") and have relied on the report titled "*Independent Market Research on the Overview of the Global and Indian CDMO Market"* dated February 8, 2024 ("**F&S Report**"), or industry related data in this Draft Red Herring Prospectus. We have no direct or indirect association with F&S other than as a consequence of such an engagement. F&S is not in any manner related to us, our Directors, our Promoters, or our KMPs or SMPs.

The F&S Report is not exhaustive and is based on certain assumptions, parameters and conditions made and identified by F&S. 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 also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Accordingly, investors should not place undue reliance on, or base their investment decision solely on F&S Report and should read the industry-related disclosure in this Draft Red Herring Prospectus in this context. For the disclaimer associated with the F&S Report, see "*Certain Conventions, Presentation of Financial, Industry and Market Data – Industry and Market Data*" on page 16.

57. ***Information relating to the installed manufacturing capacity, actual production and capacity utilization of our manufacturing units included in this Draft Red Herring Prospectus is based on various assumptions and estimates, and future production and capacity may vary.***

Information relating to the installed manufacturing capacity, actual production and capacity utilization of our manufacturing units included in this Draft Red Herring Prospectus is based on various assumptions and estimates of our management, including expected operations, availability of raw materials, expected unit utilization levels, downtime resulting from scheduled maintenance activities, downtime resulting from change in stock keeping units for a particular product, unscheduled breakdowns, mould changeover, and expected operational efficiencies, that have been taken into account by an independent chartered engineer in the calculation of the installed manufacturing capacity, and actual production and capacity utilization of our manufacturing units.

Accordingly, actual production levels and rates may differ significantly from the installed capacity information of our units or historical installed capacity information of our units depending on the product type. Undue reliance should therefore not be placed on our historical installed capacity information for our existing units included in this Draft Red Herring Prospectus.

58. ***Certain non–GAAP measures and other statistical information relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. These non–GAAP measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable with those presented by other companies.***

Certain non–GAAP measures and other statistical information relating to our operations and financial performance such as EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, return on capital employed, and return on equity have been included in this Draft Red Herring Prospectus. We compute and disclose such non–GAAP measures and other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. However, such information may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS. We track such operating metrics with internal systems and tools, and our methodologies for tracking these metrics may change over time, which could result in unexpected changes to our metrics, including the metrics we publicly disclose. If the internal systems and tools we use to track these metrics undercount or overcount performance, the data we report may not be accurate.

59. ***Proceeds from the Offer for Sale portion of this Offer will not be available to us.***

As this Offer includes an Offer for Sale of Equity Shares by the Selling Shareholders, the proceeds from the Offer for Sale net of proportionate Offer Expenses will be remitted to the Selling Shareholders and our Company will not benefit from such proceeds. For details relating to the Offer, see "*The Offer*" and "*Objects of the Offer*" on pages 58 and 89, respectively.

60. ***A portion of the Net Proceeds may be utilized for repayment or pre-payment of a loan availed by our Subsidiary from Citibank N.A., which is an affiliate of Citigroup Global Markets India Private Limited, one of the BRLMs.***

We propose to repay or pre-pay a loan availed by one of our Subsidiary, Maxcure Nutravedics Limited, from Citibank N.A. from the Net Proceeds. Citibank N.A. is an affiliate of Citigroup Global Markets India Private Limited, one of our Book Running Lead Managers and is not an associate of our Company or Subsidiaries in terms of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992. The loan sanctioned to our Subsidiary, Maxcure Nutravedics Limited by Citibank N.A. was done as part of their lending activities in the ordinary course of business and we do not believe that there is any conflict of interest under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, or any other applicable SEBI rules or regulations. The Board of Directors of our Company has chosen the loan and facilities to be repaid/prepaid based on commercial considerations. For further details, see "*Objects of the Offer*" on page 89. However, there can be no assurance that the repayment/prepayment of such loans from the Net Proceeds to an affiliate of one of the Book Running Lead Managers will not be perceived as a current or potential conflict of interest.

61. ***Our funding requirements and deployment of the Net Proceeds are based on current circumstances of our business and may be subject to change based on various factors. Any variation in the utilization of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.***

We intend to use the Net Proceeds of the Fresh Issue towards (i) repayment/ prepayment of indebtedness of our Company and its Subsidiaries; (ii) funding incremental working capital requirements of our Company; (iii) pursuing inorganic growth initiatives through acquisitions; and (iv) general corporate purposes, in accordance with applicable law, and in the manner indicated in "*Objects of the Offer*" on page 89. The proposed fund deployment is based on internal management estimates basis the current circumstances of our business, and we may have to revise our estimates from time to time on account of various factors, such as financial and market conditions, competition, interest rate fluctuations and other external factors, which may not be within the control of our management. The estimates have not been appraised by any bank or financial institution or other independent agency and no appraising entity has been appointed for the Offer.Various risks and uncertainties, including those set forth in this "*Risk Factors*" section on page 27, may limit or delay our efforts to use the Net Proceeds of the Fresh Issue in the manner indicated in "*Objects of the Offer*" on page 89. As such, prospective investors will need to rely upon our management's judgment with respect to the use of Net Proceeds.

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. If we are unable to deploy the Net Proceeds in a timely or efficient manner, our business and results of operations may be affected. We operate in a competitive and dynamic industry and may need to revise our estimates from time to time based on changes in a number of factors, including timely completion of the Offer, general economic and business conditions, increasing regulations or changes in government policies, competitive landscape, as well as general factors affecting our business, results of operations, financial condition and access to capital such as credit availability and interest rate levels, which are 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 without obtaining the Shareholders' approval through a special resolution. In the event of any such 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 may adversely affect our business or operations. 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, or vary the terms of any contract referred to in this Draft Red Herring Prospectus, even if such variation is in the interest of our Company.

62. ***The Equity Shares have never been publicly traded, and after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. The determination of the Price Band is based on various factors and assumptions and the Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.***

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation do not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares.

The determination of the Price Band is based on various factors and assumptions and will be determined by our Company, in consultation with the BRLMs. The Offer Price of the Equity Shares is proposed to be determined by our Company, in consultation with the BRLMs, through the book-building process prescribed under the SEBI ICDR Regulations. The Offer Price will be based on numerous factors, including factors as described under "*Basis for Offer*

Price” on page 106, and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. Further, the current market prices of some securities listed pursuant to certain previous issues managed by the BRLMs are below their respective issue prices. For further details, see “*Other Regulatory and Statutory Disclosures — Price information of past issues handled by the Book Running Lead Managers (during the current Financial Year and two Financial Years preceding the current Financial Year)*” on page 397. The market price of the Equity Shares may be subject to significant fluctuations, and may decline below the Offer Price, in response to, among other factors:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of research analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- conditions in financial markets, including those outside India;
- announcements by us or our competitors of new products, significant acquisitions, strategic alliances or joint operations;
- claims or proceedings by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations or changes in laws and governmental regulations applicable to our industry;
- developments relating to our peer companies;
- additions or departures of our Directors, Key Management Personnel and Senior Management Personnel; and
- general economic and stock market conditions.

In addition, the stock market often experiences price and volume fluctuations that are unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of the Equity Shares, regardless of our performance. Consequently, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Offer Price, or at all. A decrease in the market price of the Equity Shares could cause investors to lose some or all of their investment.

63. ***Any sale of Equity Shares by our Promoters or future issuance of Equity Shares, or convertible securities or other equity–linked securities by us may dilute your shareholding and adversely affect the trading price of the Equity Shares.***

We may be required to finance our growth through future equity offerings. Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us, including through exercise of employee stock options, to the extent applicable, may dilute your shareholding in our Company. Any sale of the Equity Shares by our Promoters or future equity issuances by us may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of the Equity Shares. We cannot assure you that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

64. ***Investors may be subject to Indian taxes arising out of income arising on distribution of dividend and sale of the Equity Shares .***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. A securities transaction tax (“**STT**”) is levied both at the time of transfer and acquisition of the equity shares (unless exempted under a prescribed notification), and the STT is collected by an Indian stock exchange on which equity shares are sold. Any capital gain realized on the sale of listed equity shares on a Stock Exchange held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Such long-term capital gains exceeding ₹ 100,000 arising from the sale of listed equity shares on the stock exchange are subject to tax at the rate of 10% (plus applicable surcharge and cess) subject to, among others, payment of STT. Further any capital gains realised on the sale of listed equity shares of an Indian company, held for more than 12 months, which are sold using any platform other than a recognized stock exchange and on which no STT has been paid, will be also subject to long term capital gains tax in India at the rate of 10% (plus applicable surcharge and cess).

Further, any capital gains realized on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India at the rate of 15% (plus applicable surcharge and cess), subject to STT being paid at the time of sale of such shares. Otherwise, such gains will be taxed at the applicable rates.

Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder, subject to certain conditions. 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.

Additionally, any dividend distributed by a domestic company is subject to tax in the hands of the investor at the applicable rate. Further, our Company is required to withhold tax on such dividends distributed at the applicable rate. Non-resident shareholders may claim benefit of the applicable tax treaty, subject to satisfaction of certain conditions. Our Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action, including dividends.

Similarly, any business income realized from the transfer of Equity Shares held as trading assets is taxable at the applicable tax rates subject to any treaty relief, if applicable, to a non-resident seller. The stamp duty for transfer of certain securities, other than debentures, on a delivery basis is currently specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount.

Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares. Unfavourable changes in or interpretations of existing laws, rules and regulations, or the promulgation of new laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

65. ***Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.***

Under the Companies Act, a company having share capital and incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three–fourths of the Equity Shares voting on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in our Company would be diluted.

66. ***QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid, and Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion are not permitted to withdraw their Bids after Bid/Offer Closing Date.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date. While our Company is required to complete Allotment pursuant to the Offer within such period as may be prescribed under applicable law, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. We may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the Bidders' ability to sell the Equity Shares allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline upon listing. QIBs and Non-Institutional Bidders will therefore not be able to withdraw or lower their bids following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or otherwise, between the dates of submission of their Bids and Allotment.

SECTION III: INTRODUCTION

THE OFFER

The following table summarizes the Offer details:

Offer of Equity Shares(1)(2)(3)		Up to [●] Equity Shares aggregating up to ₹[●] million
of which:		
i.	Fresh Issue(1)(2)	Up to [●] Equity Shares, aggregating up to ₹ 6,800 million
ii.	Offer for Sale(3)	Up to 18,598,365 Equity Shares, aggregating up to ₹[●] million
iii Employee Reservation Portion(4)		Up to [●] Equity Shares, aggregating up to ₹[●] million
The Offer comprises of:		
A)	QIB Portion(5)(6)	Not less than [●] Equity Shares
	of which:	
	Anchor Investor Portion(5)	Up to [●] Equity Shares
	Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Up to [●] Equity Shares
	of which:	
	Available for allocation to Mutual Funds only (5% of the Net QIB Portion)(6)	[●] Equity Shares
	Balance of the Net QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares
B)	Non-Institutional Portion(5)	Not more than [●] Equity Shares
	Of which	
	One-third available for allocation to Bidders with an application size of more than ₹200,000 and up to ₹1 million	[●] Equity Shares
	Two-third available for allocation to Bidders with an application size of more than ₹ 1.00 million	[●] Equity Shares
C)	Retail Portion(5)	Not more than [●] Equity Shares
Pre-Offer and post-Offer Equity Shares		
Equity Shares outstanding prior to the Offer as on the date of this Draft Red Herring Prospectus		143,064,350 Equity Shares
Equity Shares outstanding after the Offer		[●] Equity Shares
Use of Net Proceeds by our Company		See "*Objects of the Offer*" on page 89 for details regarding the use of proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

(1) A Pre-IPO Placement may be undertaken by our Company, in consultation with the BRLMs for up to 20% of the Fresh Issue or such other amount as may be allowed under applicable law for cash consideration aggregating up to ₹ 1,360 million, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs, and will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the minimum Offer size (comprising the Fresh Issue so reduced by the amount raised from the Pre-IPO Placement, and the Offer for Sale) shall constitute at least 10% of the post-Offer paid-up Equity Share capital of our Company.

(2) The Offer including the Fresh Issue of up to ₹6,800 million has been authorised by our Board pursuant to the resolutions passed at its meetings held on October 26, 2023 and February 7, 2024 and by our Shareholders pursuant to a special resolution passed at their extra-ordinary general meeting held on October 26, 2023. Further, our Board has taken on record consent of each of the Selling Shareholders to severally and not jointly participate in the Offer for Sale pursuant to its resolutions dated January 17, 2024 and February 7, 2024.

(3) The Equity Shares being offered by the Selling Shareholders have been held for a period of at least one year immediately preceding the date of this Draft Red Herring Prospectus and are eligible for being offered for sale as part of the Offer in terms of Regulation 8 of the SEBI ICDR Regulations. Each Selling Shareholder has, severally and not jointly, specifically authorized the inclusion of its respective portion of the Offered Shares as part of the Offer for Sale as provided below:

Name of the Selling Shareholder	Maximum number of Equity Shares offered in the Offer for Sale	Date of corporate authorisation/ board approval	Date of consent letter
Promoter Selling Shareholders			
Sanjeev Jain	*2,145,965*	*NA*	*January 16, 2024*
Sandeep Jain	*2,145,965*	*NA*	*January 16, 2024*
Investor Selling Shareholder			
Ruby QC Investment Holdings Pte. Ltd.	*14,306,435*	*January 16, 2024*	*January 16, 2024*

(4) The Employee Reservation Portion shall not exceed 5% of our post-Issue paid-up Equity Share capital. Any unsubscribed portion remaining in the Employee Reservation Portion shall be added to the Net Issue. For further details, see "Offer Structure" on page 411. Unless the Employee Reservation Portion is under-subscribed, the value of allocation to an Eligible Employee Bidding in the Employee Reservation Portion shall not exceed ₹200,000. In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment,

proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after such allocation up to ₹500,000), shall be added to the Net Offer.

(5) *Subject to valid bids being received at or above the Offer Price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.*

(6) *The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 200,000 and up to ₹ 1,000,000, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. The allotment to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non- Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis. For further details, see "Offer Procedure" on page 415.*

Allocation to Bidders in all categories, except the Retail Portion, Non-Institutional Portion and the Anchor Investor Portion, if any, shall be made on a proportionate basis, subject to valid Bids being received at or above the Offer Price, as applicable. Allocation to Retail Individual Bidders 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 allocated on a proportionate basis. One-third of the Non-Institutional Portion shall be reserved for applicants with application size of more than ₹ 200,000 and up to ₹ 1.00 million, two-thirds of the Non-Institutional Portion shall be reserved for Bidders with an application size of more than ₹ 1.00 million and the unsubscribed portion in either of the above subcategories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders. The allocation of Equity Shares to each Non-Institutional Bidders shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the SEBI ICDR Regulations. Allocation to Anchor Investors shall be on a discretionary basis in accordance with the SEBI ICDR Regulations. For further details, see "*Offer Structure*", "*Terms of the Offer*" and "*Offer Procedure*" on pages 411, 405 and 415, respectively.

For further details of the terms of the Offer, see "*Terms of the Offer*" on page 405.

SUMMARY OF FINANCIAL INFORMATION

The summary financial information presented below should be read in conjunction with '*Financial Information*' and '*Management's Discussion and Analysis of Financial Condition and Results of Operations*' beginning on pages 244 and 333, respectively. The following tables set forth summary financial information derived from our Restated Consolidated Financial Information.

(*The remainder of this page is intentionally left blank*)

RESTATED CONSOLIDATED BALANCE SHEET DATA

(Amount in ₹ million)

Particulars	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
ASSETS					
Non-current assets					
Property, plant and equipment	10,014.46	9,571.10	9,631.51	9,320.28	8,134.13
Right-of-use assets	1,212.72	804.94	1,263.59	810.59	701.95
Capital work-in-progress	1,291.93	953.62	1,029.93	308.19	170.05
Goodwill	20.63	20.63	20.63	20.63	150.40
Other intangible assets	57.18	46.56	57.37	53.87	53.45
Intangible assets under development	3.78	704.30	1.63	2.53	-
Financial assets					
(i) Investments	1.43	2.16	1.43	3.86	5.30
(ii) Loans	-	119.22	-	55.00	-
(iii) Other financial assets	380.55	359.31	344.20	394.03	454.98
Non-current tax assets (net)	114.75	419.28	122.61	360.43	136.22
Deferred tax assets (net)	237.81	297.29	315.17	188.53	147.01
Other non-current assets	356.92	597.78	635.61	256.38	141.17
Total non-current assets	**13,692.16**	**13,896.19**	**13,423.68**	**11,774.32**	**10,094.66**
Current assets					
Inventories	6,882.66	8,502.35	7,297.95	7,224.48	4,298.59
Financial assets					
(i) Investments	-	-	-	-	190.09
(ii) Trade receivables	11,189.99	9,521.89	8,450.87	8,843.12	5,313.99
(iii) Cash and cash equivalents	1,176.30	458.67	516.08	551.39	220.67
(iv) Bank balances other than (iii) above	1,288.14	619.03	983.81	477.08	458.01
(v) Loans	-	-	73.73	-	80.00
(vi) Other financial assets	230.41	273.55	152.30	208.01	144.07
Current-tax assets (net)	114.05	79.16	114.05	-	1.60
Other current assets	1,472.42	1,102.19	1,199.93	1,336.55	867.03
Total current assets	**22,353.97**	**20,556.84**	**18,788.72**	**18,640.63**	**11,574.05**
Assets classified as held for sale	-	321.26	452.87	275.53	-
Total assets	**36,046.13**	**34,774.29**	**32,665.27**	**30,690.48**	**21,668.71**
EQUITY AND LIABILITIES					
Equity					
Equity share capital	286.13	143.07	286.13	143.07	13.01
Other equity	5,317.72	6,758.45	6,885.76	6,076.69	8,835.46
Equity attributable to equity holders of the Parent	**5,603.85**	**6,901.52**	**7,171.89**	**6,219.76**	**8,848.47**
Non-controlling interests	78.49	36.81	61.85	31.95	22.88
Total equity	**5,682.34**	**6,938.33**	**7,233.74**	**6,251.71**	**8,871.35**
LIABILITIES					
Non-current liabilities					
Financial liabilities					
(i) Borrowings	1,009.96	1,369.32	1,154.96	133.33	11.61
(ii) Lease liabilities	708.19	281.51	748.80	304.08	278.67
(iii) Other financial liabilities	12,903.78	10,517.71	10,356.82	10,644.88	6,090.43
Provisions	289.24	253.42	262.27	239.32	204.44
Deferred tax liabilities (net)	390.10	425.62	253.01	392.98	412.69
Total non-current liabilities	**15,301.27**	**12,847.58**	**12,775.86**	**11,714.59**	**6,997.84**
Current liabilities					
Financial liabilities					
(i) Borrowings	6,067.55	5,863.20	4,214.77	3,446.20	959.03
(ii) Lease liabilities	56.97	72.15	72.41	66.22	50.44
(iii) Trade payables					
(a) Total outstanding dues to micro and small enterprises; and	651.40	452.93	442.16	331.87	330.56
(b) Total outstanding dues of creditors other than micro and small enterprises	5,457.29	5,782.94	5,229.23	5,564.79	3,083.58
(iv) Other financial liabilities	659.91	611.09	628.10	702.09	427.49
Other current liabilities	1,223.53	1,624.32	1,421.95	1,545.77	263.67
Provisions	476.73	452.82	459.37	589.24	566.16
Current tax liabilities (net)	469.14	128.94	187.68	478.00	118.59
Total current liabilities	**15,062.52**	**14,988.39**	**12,655.67**	**12,724.18**	**5,799.52**
Total equity and liabilities	**36,046.13**	**34,774.29**	**32,665.27**	**30,690.48**	**21,668.71**

RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS DATA

(Amount in ₹ million)

Particulars	Six months period ended 30 September 2023	Six months period ended 30 September 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
INCOME					
Revenue from operations	21,511.38	18,213.63	36,548.20	36,718.93	27,226.29
Other income	148.68	307.73	461.05	226.30	211.56
Total income	**21,660.06**	**18,521.36**	**37,009.25**	**36,945.23**	**27,437.85**
EXPENSES					
Cost of materials consumed	11,830.93	10,968.77	20,280.85	20,385.94	12,837.93
Purchases of stock-in-trade	1,009.37	1,545.86	2,217.88	3,942.07	4,545.81
Change in inventories of finished goods, stock-in-trade and work-in-progress	111.95	(779.08)	240.35	(877.42)	(474.63)
Employee benefits expense	3,204.26	2,947.18	5,901.33	5,077.58	4,245.50
Finance costs	258.00	179.20	462.46	166.55	67.44
Depreciation and amortisation expense	601.38	525.23	1,128.09	946.79	698.41
Fair value changes to financial instruments	2,536.46	(263.27)	(439.69)	4,941.74	538.23
Other expenses	2,552.78	2,561.16	4,967.98	4,166.21	3,160.02
Total expenses	**22,105.13**	**17,685.05**	**34,759.25**	**38,749.46**	**25,618.71**
(Loss)/ profit before share of (loss)/ profit of an associate, exceptional items and tax	**(445.07)**	**836.31**	**2,250.00**	**(1,804.23)**	**1,819.14**
Share of (loss)/ profit of an associate	-	(1.70)	(2.03)	2.03	3.47
(Loss)/ profit before exceptional items and tax	**(445.07)**	**834.61**	**2,247.97**	**(1,802.20)**	**1,822.61**
Exceptional items	271.66	-	745.00	129.77	100.00
(Loss)/ profit before tax	**(716.73)**	**834.61**	**1,502.97**	**(1,931.97)**	**1,722.61**
Tax expense:					
Current tax	598.64	204.97	781.30	690.45	552.99
Tax for earlier periods/ years	15.53	18.69	16.09	(53.26)	-
Deferred tax charge/ (reversal)	216.49	(79.90)	(272.59)	(60.42)	(64.73)
Total tax expense	**830.66**	**143.76**	**524.80**	**576.77**	**488.26**
(Loss)/ profit for the year/ period	**(1,547.39)**	**690.85**	**978.17**	**(2,508.74)**	**1,234.35**
Other comprehensive income					
Items that will not be reclassified to profit or loss					
(i) Re-measurement gains (losses) on defined benefit plan	(6.05)	15.74	26.05	(1.69)	(2.49)
(ii) Income-tax effect related to items that will not be reclassified to profit and loss	2.04	(3.78)	(5.99)	0.81	1.22
Other comprehensive income, net of tax	**(4.01)**	**11.96**	**20.06**	**(0.88)**	**(1.27)**
Total comprehensive income (comprising of (loss)/ profit for the period/ year and other comprehensive income for the period/ year)	**(1,551.40)**	**702.81**	**998.23**	**(2,509.62)**	**1,233.08**
Total comprehensive income attributable to:					
Owners of the Parent	(1,568.04)	697.95	968.33	(2,526.20)	1,226.42
Non-controlling interests	16.64	4.86	29.90	16.58	6.66
Out of total comprehensive income above, (loss)/ profit for the year/ period attributable to:					
Owners of the Parent	(1,564.17)	686.08	948.55	(2,525.36)	1,227.05
Non-controlling interests	16.78	4.77	29.62	16.62	7.30
Out of total comprehensive income above, other comprehensive income attributable to:					
Owners of the Parent	(3.87)	11.87	19.78	(0.84)	(0.63)
Non-controlling interests	(0.14)	0.09	0.28	(0.04)	(0.64)
Earnings per equity share of ₹ 2/- each					
Basic and diluted	**(10.93)**	**4.80**	**6.63**	**(17.65)**	**8.58**

RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS DATA

(Amount in ₹ million)

Particulars	Six months period ended 30 September 2023	Six months period ended 30 September 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
A. Cash flows from operating activities					
Net (loss)/ profit before tax	**(716.73)**	**834.61**	**1,502.97**	**(1,931.97)**	**1,722.61**
Add/ less: non-cash adjustments					
Depreciation and amortisation	601.38	525.23	1,128.09	946.79	698.41
Bad debts	5.13	11.95	24.58	67.74	52.83
Provision for expected credit loss on trade receivable	54.60	(17.00)	18.56	120.88	87.11
Liabilities no longer required, written back	(13.32)	(177.94)	(216.81)	(21.00)	(32.16)
Loss/ (profit) on sale of property, plant & equipment and intangible assets	0.47	5.24	(45.75)	20.66	4.04
Impairment of goodwill	-	-	-	129.77	100.00
Impairment of assets held for sale	-	-	47.50	-	-
Impairment of intangible assets under development	-	-	697.50	-	-
Gain on sale of assets held for sale	(2.48)	-	-	-	-
Share of loss/ (profit) from associate	-	1.70	2.03	(2.03)	(3.47)
Finance costs	258.00	179.20	462.46	166.55	67.44
Losses incurred due to floods	274.14	-	-	-	-
Profit on sale of current investments	-	-	-	-	(0.77)
Profit on reassessment of right-of-use assets	(1.19)	-	(22.36)	(10.55)	-
Fair value charges on financial instrument	2,536.46	(263.27)	(439.69)	4,941.74	538.23
Interest income	(51.55)	(29.86)	(78.80)	(46.31)	(61.44)
Operating profit before working capital changes	**2,944.91**	**1,069.86**	**3,080.28**	**4,382.27**	**3,172.83**
Adjustments for working capital changes:					
Inventories	235.62	(1,277.87)	(73.47)	(2,925.89)	(315.41)
Trade receivables	(2,799.53)	(673.72)	349.11	(3,717.75)	361.48
Other assets	(36.29)	(243.48)	(183.14)	(568.71)	2.49
Trade payables	445.44	341.93	(183.69)	2,505.09	(819.04)
Other financial liabilities	105.50	58.01	2.41	(146.65)	(552.12)
Provisions	38.28	68.65	94.36	56.27	(37.66)
Other liabilities	26.68	20.56	(348.92)	1,282.09	(50.89)
Cash flows from operations (gross)	**960.61**	**(636.06)**	**2,736.94**	**866.72**	**1,761.68**
Less: direct taxes paid	(328.04)	(712.74)	(970.63)	(548.18)	(455.54)
Net cash flows generated from/ (used in) operating activities	**632.57**	**(1,348.80)**	**1,766.31**	**318.54**	**1,306.14**
B. Cash flows from investing activities					
Purchase of property, plant and equipment & intangible assets (including capital work-in-progress, capital advances and payable towards property, plant and equipment)	(1,383.99)	(2,126.19)	(3,287.93)	(2,575.82)	(828.10)
Proceeds from sale of property, plant and equipment	247.65	41.71	421.47	19.24	9.38
Withdrawal from interest in partnership firm	-	-	0.40	3.47	5.24
(Investment in)/ proceeds from deposits having original maturity of more than 3 months (net)	(322.49)	(82.29)	(449.93)	53.51	380.24
Consideration paid to NCI towards further acquisition of interest in subsidiaries	-	(16.20)	(16.20)	(110.02)	(605.00)
Proceeds from/ (purchase of) sale of current investments (net)	-	-	-	190.09	(130.88)
Advance received against assets held for sale	-	58.00	225.10	-	-
Loans given	-	(71.72)	(73.73)	-	-
Loans repaid	73.73	7.50	55.00	25.00	8.50
Interest received	51.55	29.86	78.80	46.31	66.77

Particulars	Six months period ended 30 September 2023	Six months period ended 30 September 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Net cash flows used in investing activities	**(1,333.55)**	**(2,159.33)**	**(3,047.02)**	**(2,348.22)**	**(1,093.85)**
C. Cash flows from financing activities					
Proceeds from non-current borrowings	103.42	1,401.79	1,401.60	200.19	11.61
Repayments of non-current borrowings	(131.65)	(47.16)	(107.58)	(111.19)	(350.24)
Proceeds from/ (repayment of) current borrowings (net)	1,698.28	2,293.34	485.79	2,524.23	(396.55)
Payment of lease liabilities	(89.99)	(71.60)	(129.98)	(163.73)	(129.26)
Interest paid	(218.86)	(160.96)	(404.43)	(89.10)	(50.18)
Net cash flows generated from/ (used in) financing activities	**1,361.20**	**3,415.41**	**1,245.40**	**2,360.40**	**(914.62)**
Net increase/ (decrease) in cash and cash equivalents	**660.22**	**(92.72)**	**(35.31)**	**330.72**	**(702.33)**
Add: acquired under business combination	-	-	-	-	5.11
Cash and cash equivalents as at the beginning of the period/ year	516.08	551.39	551.39	220.67	917.89
Cash and cash equivalents as at the end of the period/ year	**1,176.30**	**458.67**	**516.08**	**551.39**	**220.67**
Components of cash and cash equivalents are as below:					
Balance with banks:					
- in current accounts	1,165.47	434.83	513.54	479.34	190.50
- in deposit accounts with original maturity of less than three months	5.95	20.00	-	68.00	24.86
Cash on hand	4.88	3.84	2.54	4.05	5.31
Cash and cash equivalents as at the end of the period/ year	**1,176.30**	**458.67**	**516.08**	**551.39**	**220.67**

GENERAL INFORMATION

Our Company was incorporated as a public company under the Companies Act, 1956 as 'Akums Drugs and Pharmaceuticals Limited', pursuant to a certificate of incorporation dated April 19, 2004 issued by the RoC. Our Company received a certificate of commencement of business issued by the RoC dated May 13, 2004.

Corporate Identity Number: U24239DL2004PLC125888

Registered Office

Akums Drugs and Pharmaceuticals Limited
304 Mohan Place
LSC Saraswati Vihar
Delhi - 110 034, India
Tel: +91 11 6904 1000
E-mail: cs@akums.net
Website: www.akums.in

Corporate Office

Akums House, Plot No. 131 to 133
Block C, Mangolpuri Industrial Area
Phase-1, Delhi -110 083, India

Registrar of Companies

Our Company is registered with the Registrar of Companies, Delhi and Haryana at New Delhi, situated at:

Registrar of Companies, 4th Floor
IFCI Tower, 61, Nehru Place
New Delhi - 110 019, India

Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus has been filed electronically through SEBI's online intermediary portal at https://siportal.sebi.gov.in in accordance with the SEBI ICDR Master Circular.

The Red Herring Prospectus and Prospectus, respectively, will be filed with the RoC in accordance with Section 32, read with Section 26 of the Companies Act, along with the material contracts and documents referred to in each of the Red Herring Prospectus and the Prospectus, respectively, and through the electronic portal of MCA.

Board of Directors

Details regarding our Board as on the date of this Draft Red Herring Prospectus are set forth below:

Name	Designation	DIN	Address
Sanjeev Jain	Managing Director	00323433	E 1052 Saraswati Vihar, New Delhi - 110 034, Delhi, India
Sandeep Jain	Managing Director	00323476	E 1052 Saraswati Vihar, New Delhi, 110 034, Delhi, India
Sanjay Sinha	Whole Time Director	03627342	H. no. DH-118, Scheme no. 74C, Vijay Nagar, Indore – 452010, India
Sunil Kumar Thakur	Non-Executive Director	03266370	S-177, Second Floor, Panchsheel Park, Malviya Nagar, South Delhi 110 017, Delhi, India
Kewal Kundanlal Handa	Independent Director	00056826	Nair House, 9th Floor, 14 B Road, Khar West, Mumbai, 400 052, Maharashtra, India
Matangi Gowrishankar	Independent Director	01518137	E 1001/1002 Maestros, Salunke Vihar Road, Wanwadi, Pune, 411 040, Maharashtra, India
Nand Lal Kalra	Independent Director	05268554	H. no. 4-BA-11, Jawahar Nagar, Jaipur, 302 004, Rajasthan, India
Satwinder Singh	Independent Director	00164903	Tower 10, Ground Floor, ATS One Hamlet Sector 104 Noida, Gautam Buddha Nagar, 201 301, Uttar Pradesh, India

For further details of our Board, see "*Our Management*" on page 219.

Company Secretary and Compliance Officer of our Company

Dharamvir Malik
Akums House
Plot No. 131 to 133, Block C
Mangolpuri Industrial Area
Phase-1, Delhi - 110 083, India
Tel: +91 11 6904 1000
E-mail: cs@akums.net

Statutory Auditors

Walker Chandiok & Co LLP, Chartered Accountants
21st Floor, DLF Square
Jacaranda Marg
DLF Phase II
Gurugram – 122 002
Haryana, India
Tel: +91 124 4628000
E-mail: tarun.gupta@walkerchandiok.in

Firm registration number: 001076N/N500013

Peer review number: 014158

Change in statutory auditors since last three years

There has been no change in the statutory auditors of our Company during the three years preceding the date of this Draft Red Herring Prospectus.

Book Running Lead Managers

ICICI Securities Limited
ICICI Venture House
Appasaheb Marathe Marg Prabhadevi
Mumbai – 400 025
Maharashtra, India
Tel: +91 22 6807 7100
E-mail: akums.ipo@icicisecurities.com
Website: www.icicisecurities.com
Investor grievance e-mail: customercare@icicisecurities.com
Contact person: Namrata Ravasia/Harsh Thakkar
SEBI registration no.: INM000011179

Axis Capital Limited
1st Floor, Axis House
C-2 Wadia International Centre
Pandurang Budhkar Marg, Worli
Mumbai – 400 025
Maharashtra, India
Tel: +91 22 4325 2183
E-mail: akums.ipo@axiscap.in
Website: www.axiscapital.co.in
Investor grievance e-mail: complaints@axiscap.in
Contact person: Akash Aggarwal/Jigar Jain
SEBI registration no.: INM000012029

Citigroup Global Markets India Private Limited
1202, 12th Floor
First International Financial Centre
G-Block, Bandra Kurla Complex
Bandra (East), Mumbai – 400 098
Maharashtra, India
Tel: +91 22 6175 9999
E-mail: akums.ipo@citi.com
Website:
www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm
Investor grievance e-mail: investors.cgmib@citi.com
Contact person: Abhishek Mawandiya
SEBI registration no.: INM000010718

Ambit Private Limited
Ambit House, 449, Senapati Bapat Marg
Lower Parel, Mumbai – 400 013
Maharashtra, India
Tel: +91 22 6623 3030
E-mail: akums.ipo@ambit.co
Website: www.ambit.co
Investor grievance e-mail: customerservicemb@ambit.co
Contact person: Siddhesh Deshmukh
SEBI registration no.: INM000010585

Legal Advisors to the Offer

Legal Counsel to our Company as to Indian law

Cyril Amarchand Mangaldas
Level 1 & 2, Max Towers
Plot No. C-001/A/1
Sector 16B,
Gautam Buddha Nagar, Noida 201 301
Uttar Pradesh, India
Tel: +91 120 669 9000

Registrar to the Offer

Link Intime India Private Limited

C-101, 1st Floor, 247 Park,
Lal Bahadur Shastri Marg, Vikhroli (West)
Mumbai - 400 083
Maharashtra, India
Tel: +91 810 811 4949
E-mail: akumsdrugs.ipo@linkintime.co.in
Website: www.linkintime.co.in
Investor grievance e-mail: akumsdrugs.ipo@linkintime.co.in
Contact person: Shanti Gopalkrishnan
SEBI registration no.: INR000004058

Bankers to the Offer

Escrow Collection Bank(s), Refund Bank(s) and Public Offer Account Bank

[●]

Sponsor Banks

[●]

Bankers to our Company

Citibank N.A.
DLF Square, Jacaranda Marg, Block M
DLF Phase -II, Sector 25
Gurugram
Haryana 122 002, India
Tel: +91 12 4418 6915
Website: www.citibank.co.in
Contact Person: Aamol NK Gupta
E-mail: aamol.nk.gupta@citi.com

HSBC Limited
Plot 68, Sector 45
Gurugram
Haryana 122 002, India
Tel: 180 0274 3211
Website: www.hsbc.co.in
Contact Person: Gautam Gupta
E-mail: gautamgupta@hsbc.co.in

HDFC Bank
Emerging Corporate Group
B-6/3, 2nd Floor
Opposite Deer Park
Safdarjung Enclave
New Delhi, 110 029
India
Tel: 9350876841
Website: www.hdfcbank.com
Contact Person: Kanishka Jaswal
E-mail: kanishka.jaswal@hdfcbank.com

Yes Bank Limited
Yes Bank House
Off Western Express Highway
Santacruz east
Mumbai, 400 055
Maharashtra, India
Tel: +91 98 9104 2240
Website: www.yesbank.in

Contact Person: Ritesh Gupta
E-mail: ritesh.gupta4@yesbank.in

Syndicate Members

[●]

Designated Intermediaries

Self-Certified Syndicate Banks

The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to UPI Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time.

Self-Certified Syndicate Banks and mobile applications enabled for Unified Payments Interface Mechanism

In accordance with SEBI RTA Master Circular, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, read with other applicable UPI Circulars, UPI Bidders Bidding through UPI Mechanism may apply through the SCSBs and mobile applications, using UPI handles, whose name appears on the SEBI website. A list of SCSBs and mobile applications, which, are live for applying in public issues using UPI mechanism is provided in the list available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.

Syndicate Self-Certified Syndicate Banks' Branches

In relation to Bids (other than Bids by Anchor Investor) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time.

Registered Brokers

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of BSE and NSE at www.bseindia.com and www.nseindia.com, respectively, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and https://www.nseindia.com/products-services/initial-public-offerings-asba-procedures, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of BSE at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and on the website of NSE at https://www.nseindia.com/products-services/initial-public-offerings-asba-procedures, as updated from time to time.

Experts to the Offer

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

Our Company has received written consent dated February 10, 2024 from Walker Chandiok & Co LLP, Chartered Accountants, to include their name as required under the SEBI ICDR Regulations in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013, to the extent and in their capacity as our Statutory Auditors and in respect of their (i) examination report dated January 17, 2024 on our Restated Consolidated Financial Information; and (ii) report dated February 7, 2024 on the Statement of Special Tax Benefits for the Company, its shareholders and the Material

Subsidiaries. However, the term "expert" and "consent" shall not be construed to mean an "expert" and "consent" as defined under the U.S. Securities Act.

Our Company has received written consent dated February 10, 2024 from T A M S & CO LLP, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name in this Draft Red Herring Prospectus, as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company.

Our Company has received written consent dated February 10, 2024 from Er. S. C. Aggarwal, an independent chartered engineer to include their name as required under the SEBI ICDR Regulations in this Draft Red Herring Prospectus, and as an "expert", as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as an independent chartered engineer in relation to the certificate dated February 10, 2024, certifying, *inter alia*, the details of the installed and production capacity of our manufacturing facilities.

Our Company has received written consent dated February 10, 2024 from Chadha & Chadha, an intellectual property consultant, to include their name as required under the SEBI ICDR Regulations in this Draft Red Herring Prospectus, and as an "expert", as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as an intellectual property consultant, in relation to the certificate dated February 10, 2024, certifying, *inter alia*, the details of the trademarks, patents and other intellectual property of our Company and its Subsidiaries.

Such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus. It is clarified, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Inter-se allocation of responsibilities among the Book Running Lead Managers to the Offer

The following table sets forth the inter-se allocation of responsibilities for various activities in relation to the Offer among the Book Running Lead Managers:

Activity	Coordinator
Capital structuring with the relative components and formalities such as type of instruments, composition of debt and equity, size of issue, allocation between primary and secondary, etc	I-SEC
Due Diligence of the company including its operations/ management / business plan/ legal, etc	I-SEC
Drafting and design of DRHP, RHP, Prospectus, abridged prospectus and application form in compliance with requirement. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing.	I-SEC
Drafting and approval of all statutory advertisement	I-SEC
Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report	Axis
Appointment of Intermediaries i.e., Registrar, Banker(s) to the Offer, Sponsor Bank, including coordination of all agreements to be entered into with such intermediaries	Axis
Appointment of Intermediaries i.e., advertising agency, printers, Syndicate, Monitoring Agency and other intermediaries, including coordination of all agreements to be entered into with such intermediaries	Axis
Preparation of road show presentation, FAQs and analyst presentation	Citi
Coordination and finalization of industry report and Industry Overview Section to be included in Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus	Ambit
International Institutional marketing of the Offer, which will cover, inter alia: - Institutional marketing strategy; - Finalizing the list and division of international investors for one-to-one meetings; and - Finalizing international road shows and investor meeting schedule	Citi
Domestic Institutional marketing of the Offer, which will cover, inter alia: - Institutional marketing strategy; - Finalizing the list and division of domestic investors for one-to-one meetings; and - Finalizing domestic road shows and investor meeting schedule	I-SEC
Retail marketing of the Offer, which will cover, inter alia, - Formulating marketing strategies and preparation of publicity budget; - Finalising media, marketing and public relations strategy including list of frequently asked questions at retail roadshows; - Finalising centres for holding conferences for brokers, etc; - Follow-up on distribution of publicity and Offer material including form, the Prospectus and deciding on the quantum of the Offer material; and - Finalising collection centres	Ambit

Activity	Coordinator
Non-Institutional marketing of the Offer, which will cover, inter alia: - Formulating marketing strategies for non-institutional investors	Axis
Managing the book and finalization of pricing in consultation with the Company and the Selling Shareholders	Citi
Coordination with Stock-Exchanges for book building software, bidding terminals, mock trading, payment of 1% security deposit, anchor coordination, anchor CAN and intimation of anchor allocation.	Ambit
Post bidding activities, including management of escrow accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs, Sponsor Banks and other Bankers to the Offer, intimation of allocation and dispatch of refund to Bidders, etc. Other post-Offer activities, which shall involve essential follow-up with bankers to the Offer and SCSBs to get quick estimates of collection and advising our Company about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds, payment of STT on behalf of the Selling Shareholders and coordination with various agencies connected with the post- Offer activity such as Registrar to the Offer, Bankers to the Offer, Sponsor Bank, SCSBs including responsibility for underwriting arrangements, as applicable. Coordinating with Stock Exchanges and SEBI for submission of all post-Offer reports including the final post-Offer report to SEBI and refund/release of 1% security deposit post closure of the Offer.	Axis

IPO Grading

No credit rating agency registered with SEBI has been appointed for grading the Offer.

Monitoring Agency

Our Company will appoint a monitoring agency prior to the filing of the Red Herring Prospectus in accordance with Regulation 41 of the SEBI ICDR Regulations. The relevant details shall be included in the Red Herring Prospectus.

Appraising Entity

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

Credit Rating

As this is an Offer of Equity Shares, there is no credit rating required for the Offer.

Debenture Trustees

As this is an Offer of Equity Shares, the appointment of debenture trustees is not required.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Illustration of the Book Building Process

The Book Building Process, in the context of the Offer, refers to the process of collection of Bids from Bidders on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band and the minimum Bid lot will be decided by our Company, in consultation with the BRLMs, and advertised in all editions of [●] (a widely circulated English national daily newspaper) and all editions of [●] (Hindi also being the regional language of Delhi, where our Registered Office is located) each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective websites. The Offer Price shall be determined by our Company, pursuant to the Book Building Process, in consultation with the BRLMs, after the Bid/Offer Closing Date. For further details, see "*Offer Procedure*" beginning on page 415.

All Bidders (other than Anchor Investors) shall participate in this Offer mandatorily 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. In addition to this, the UPI Bidders shall participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of the number of Equity Shares or the Bid Amount) at any stage. Anchor

Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. RIBs and Eligible Employees Bidding in the Employee Reservation Portion (subject to the Bid Amount being up to ₹ 200,000) can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/ Offer Closing Date. Except for Allocation to RIBs, Non-Institutional Bidders and the Anchor Investors, allocation in the Offer will be on a proportionate basis. Further, allocation to Anchor Investors will be on a discretionary basis and allocation to the Non-Institutional Investors will be in a manner as may be introduced under applicable laws.

Each Bidder will be deemed to have acknowledged the above restrictions and the terms of the Offer, by submitting their Bid in the Offer.

The process of Book Building under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to submitting a Bid in the Offer.

The Bidders should note that the Offer is also subject to obtaining (i) the final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment as per the prescribed timelines in compliance with the SEBI ICDR Regulations.

For further details, see "*Terms of the Offer*", "*Offer Structure*" and "*Offer Procedure*" on pages 405, 411 and 415 respectively.

For details in relation to filing of this Draft Red Herring Prospectus, see "*-Filing of this Draft Red Herring Prospectus*" on page 65.

Underwriting Agreement

Our Company and each of the Selling Shareholders intends to, prior to the filing of the Prospectus with the RoC, enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued and offered in the Offer. The extent of underwriting obligations and the Bids to be underwritten by each Underwriter shall be as per the Underwriting Agreement. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and will be subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares which they shall subscribe to on account of rejection of bids, either by themselves or by procuring subscription, at a price which shall not be less than the Offer Price, pursuant to the Underwriting Agreement:

(The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus. This portion has been intentionally left blank and will be filled in before, and this portion will be applicable upon the execution of the Underwriting Agreement and filing of the Prospectus with the RoC, as applicable.)

Name, Address, Telephone Number and Email Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (₹ in million)
[●]	[●]	[●]

The abovementioned underwriting commitments are indicative and will be finalised after pricing of the Offer, the Basis of Allotment and actual allocation in accordance with provisions of the SEBI ICDR Regulations.

In the opinion of our Board (based on representation made to our Company by the Underwriters), the resources of the abovementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. Our Board/ IPO Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed in accordance with applicable laws, after the determination of the Offer Price and allocation of Equity Shares, prior to the filing of the Prospectus with the RoC. The extent of underwriting obligations and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement.

CAPITAL STRUCTURE

Details of the share capital of our Company, as at the date of this Draft Red Herring Prospectus, are as set forth below:

(in ₹, except share data)

	Particulars	Aggregate value at face value	Aggregate value at Offer Price*
A	**AUTHORISED SHARE CAPITAL**(1)		
	Equity shares comprising:		
	200,000,000 Equity Shares	400,000,000	
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	143,064,350 Equity Shares#	286,128,700	
D	**PRESENT OFFER**		
	Offer of up to [●] Equity Shares (2)(3)	[●]	[●]
	of which		
	Fresh Issue of up to [●] Equity Shares(2)(3)	[●]	[●]
	Offer for Sale of up to 18,598,365 Equity Shares(4)	[●]	[●]
	The Offer includes:		
	Employee Reservation Portion of up to [●] Equity Shares aggregating up to ₹ [●] million(5)	[●]	[●]
	Net Offer of up to [●] Equity Shares		
E	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**		
	[●] Equity Shares	[●]	
F	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer (as on date of this Draft Red Herring Prospectus)	1,271,663,000.00	
	After the Offer	[●]	

* *To be updated upon finalisation of the Offer Price, and subject to the Basis of Allotment*

\# *Subject to approval of the Board and Shareholders of our Company in terms of applicable law, our Company will issue and allot such number of Equity Shares to the ESOP Trust which aggregate to 3% of the paid-up Equity Share capital of our Company on a fully diluted basis, at the time of such issuance. Our Company will complete the issuance and allotment of such Equity Shares to the ESOP Trust prior to filing of the Red Herring Prospectus with the RoC.*

(1) *For details in relation to the changes in the authorised share capital of our Company, see "History and Certain Corporate Matters – Amendments to the Memorandum of Association in the last 10 years" on page 205.*

(2) *A Pre-IPO Placement may be undertaken by our Company, in consultation with the BRLMs for up to 20% of the Fresh Issue or such other amount as may be allowed under applicable law for cash consideration aggregating up to ₹ 1,360 million, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs, and will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the minimum Offer size (comprising the Fresh Issue so reduced by the amount raised from the Pre-IPO Placement, and the Offer for Sale) shall constitute at least 10% of the post-Offer paid-up Equity Share capital of our Company.*

(3) *The Offer including the Fresh Issue of up to ₹6,800 million has been authorised by our Board pursuant to the resolutions passed at its meetings held on October 26, 2023 and February 7, 2024 and by our Shareholders pursuant to a special resolution passed at their extra-ordinary general meeting held on October 26, 2023. Further, our Board has taken on record consent of each of the Selling Shareholders to severally and not jointly participate in the Offer for Sale pursuant to its resolutions dated January 17, 2024 and February 7, 2024.*

(4) *Each Selling Shareholder has, severally and not jointly, specifically authorized the inclusion of its respective portion of the Offered Shares as part of the Offer for Sale. For details of authorisations for the Offer for Sale, see "The Offer" and "Other Regulatory and Statutory Disclosures" on pages 58 and 391, respectively.*

(5) *In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation of up to ₹500,000), shall be added to the Net Offer. The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. For further details, see "Offer Structure" on page 411.*

Notes to the Capital Structure

1. Share capital history of our Company

(a) **Equity share capital**

The history of the equity share capital of our Company is set forth below:

Date of allotment of equity shares	Nature of allotment	Nature of consideration	Number of equity shares	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Name of allottees/ shareholders	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital
April 15, 2004	Initial subscription to MoA	Cash	50,000	10	10	Allotment of 600 equity shares to Dharam Chand Jain, 24,500 equity shares to Sanjeev Jain, 24,500 equity shares to Sandeep Jain, 100 equity shares to Kiran Jain, 100 equity shares to Lata Jain, 100 equity shares to Vandana Jain and 100 equity shares to Neetu Jain.	50,000	500,000
December 13, 2004#	Further issue	Cash	1,005,000	10	20	Allotment of 61,675 equity shares to Dharam Chand Jain jointly with Sanjeev Jain, 61,675 equity shares to Dharam Chand Jain jointly with Sandeep Jain, 197,700 equity shares to Sanjeev Jain, 229,750 equity shares to Sandeep Jain, 75,000 equity shares to Lata Jain, 42,950 equity shares to Vandana Jain, 1,750 equity shares to Kiran Jain jointly with Sanjeev Jain, 1,750 equity shares to Kiran Jain jointly with Sandeep Jain, 85,000 equity shares to Dharam Chand Jain and sons HUF jointly with Sanjeev Jain, 85,000 equity shares to Dharam Chand Jain and sons HUF jointly with Sandeep Jain, 1,250 equity shares to Mata Pher Singh, 1,250 equity shares to Narendra Dev Sachdeva, 15,000 equity Shares to Amazing Research Laboratories Limited, 15,000 equity shares to Maxcure Drugs and Pharmaceuticals Limited, 25,000 equity shares to Power Pack (India), 15,000 equity shares to Life Line India, 5,000 equity shares to Ajay Kakkar, 500 equity shares to Ajay Kumar Pandey, 2,000 equity shares to Ambika Sukumar, 1,500 equity shares to Anju Chauhan, 1,000 equity shares to Ashtik Kumar Sinha, 2,000 equity shares to Balraj Bidaliya, 500 equity shares to Belal Arshad Faridi, 1,000 equity shares to Bhushan Kumar Goel, 1,000 equity shares to Bhajesh Sharma, 10,500 equity shares to Bhijesh Sharma, 10,000 equity shares to Chandra Mohan Khurana, 1,000 equity shares to Chandrani Banik Chowdhury, 1,000 equity shares to Dalip Singh Bhuraria, 500 equity shares to Devendra Dhyani, 4,500 equity shares to Devi Deen Singh, 1,000 equity shares to Dharmendra Singh, 500 equity shares to Dinesh Kumar, 1,000 equity shares to Ekta Malhotra, 2,000 equity shares to Gopi Nath Sahu, 3,500 equity shares to Himanshu Chachra, 1,250 equity shares to Jagdish Prasad, 1,250 equity shares to Khyall Dutt, 2000 equity shares to Kuldeep Kaur, 2,000 equity shares to Kusum Pal, 1,500 equity shares to Lalita Rani, 1,000 equity shares to Manisha Manocha, 1,000 equity shares to Manju Bist, 1,000 equity shares to Meenakshi Prasad, 1000 equity shares to Mohan Lal Bansal, 500 equity shares to Neeraj Kumar Nirala, 2,000 equity shares to Parta Sarthi Mahaptra, 1,500 equity shares to Pooja Babbar, 2,500 equity shares to Pradeep Kumar Sharma, 1,000 equity shares to Praveen Soni, 2,500 equity shares to Puneet Sharma, 1,000 equity shares to Rajeshwar Prasad, 1,250 equity shares to Rakesh Kumar, 2000	1,055,000	10,550,000

Date of allotment of equity shares	Nature of allotment	Nature of consideration	Number of equity shares	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Name of allottees/ shareholders	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital
						equity shares to Ramashankar, 2,500 equity shares to Ramesh Chand Saini, 2,000 equity shares to Sapna Sharma, 1,250 equity shares to Satya Prakash, 500 equity shares to Shiv Prasad Nautiyal, 1,250 equity shares to Srinath Prasad Ojha, 2500 equity shares to Sudama Prasad, 1,500 equity shares to Surendra Kumar Saini, 500 equity shares to Veni Sethi, 1,500 equity shares to Vijay Pal Singh Rawat, 500 equity shares to Vikas Rajput.		
March 31, 2005#	Further issue	Cash	120,000	10	20	Allotment of 200 equity shares to Amresh Kumar Rai, 4,000 equity shares to Brajesh Sharma, 3,525 equity shares to Dharam Chand Jain jointly with Sanjeev Jain, 3,525 equity shares to Dharam Chand Jain jointly with Sandeep Jain, 12,500 equity shares to Sanjeev Jain, 20,000 equity shares to Sanjeev Jain and sons HUF, 10,000 equity shares to Sandeep Jain, 5,000 equity shares to Sandeep Jain and sons HUF, 11,000 equity shares to Lata Jain, 3,500 equity shares to Vandana Jain, 46,750 equity shares to A.K. Laboratories Limited.	1,175,000	11,750,000
November 13, 2019	Private placement	Cash	125,585	10	25,480.85	Allotment of 125,585 equity shares to Ruby QC Investment Holdings Pte. Ltd.	1,300,585	13,005,850
Pursuant to resolutions each dated December 24, 2021 passed by our Board and the Shareholders, the authorized share capital of our Company was sub-divided from ₹15,000,000 divided into 1,500,000 equity shares of face value of ₹10 each to ₹15,000,000 divided into 7,500,000 Equity Shares of face value of ₹2 each. Accordingly, the issued, subscribed and paid-up equity share capital of our Company was sub-divided from ₹13,005,850 divided into 1,300,585 equity shares of face value of ₹10 per equity share to ₹13,005,850 divided into 6,502,925 Equity Shares of face value of ₹2 per Equity Share.								
December 24, 2021	Bonus issue in the ratio of 10 Equity Shares for every 1 Equity Share held by our Shareholders*	N.A.	65,029,250	2	N.A.	Allotment of 27,587,700 Equity Shares to Sanjeev Jain, 3,750 Equity Shares to Lata Jain, 15,000 Equity Shares to Sanjeev Jain jointly with Arushi Jain, 2,500 Equity Shares to Lata Jain jointly with Umang Jain, 27,603,950 Equity Shares to Sandeep Jain, 2,500 Equity Shares to Sandeep Jain jointly with Kanishk Jain, 2,500 Equity Shares to Sandeep Jain jointly with Manan Jain and 9,811,350 Equity Shares to Ruby QC Investment Holdings Pte. Ltd.	71,532,175	143,064,350
March 17, 2023	Bonus issue in the ratio of 1 Equity Share for every 1 Equity Share held by our Shareholders^	N.A.	71,532,175	2	N.A.	Allotment of 30,346,470 Equity Shares to Sanjeev Jain, 4,125 Equity Shares to Lata Jain, 16,500 Equity Shares to Sanjeev Jain jointly with Arushi, 2,750 Equity Shares to Lata Jain jointly with Umang Jain, 30,364,345 Equity Shares to Sandeep Jain, 2,750 Equity Shares to Sandeep Jain jointly with Kanishk Jain, 2,750 Equity Shares to Sandeep Jain jointly with Manan Jain and 10,792,485 Equity Shares to Ruby QC Investment Holdings Pte. Ltd.	143,064,350	286,128,700

\# *Board resolutions in relation to the issuance of 1,005,000 Equity Shares made by our Company on December 13, 2004, and 120,000 Equity Shares on March 31, 2005, are not traceable by our Company. For arriving at the details of the issuance, we have placed reliance on resolutions for allotment, Form 2 filed under the Companies Act, 1956, list of allottees and register of members maintained by our Company. We have also conducted a search at the RoC for these records and relied on the search report dated February 6, 2024 prepared by SPG and Associates, independent practicing company secretary, and certified by their certificate dated February 6,* *2024 . For further details, see "Risk Factors – Certain of our corporate records, filings and instruments of transfer are not traceable. We cannot assure you that no legal proceedings or regulatory actions will be initiated against us in the future in relation to any such discrepancies." on page 46.*

* *The record date considered for this bonus issuance is December 24, 2021*

^ *The record date considered for this bonus issuance is March 17, 2023.*

(b) **Preference share capital**

As on the date of this Draft Red Herring Prospectus, our Company does not have any outstanding preference share capital.

2. Shares issued under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013

Our Company has not allotted any shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013.

3. Equity Shares issued for consideration other than cash, bonus issues or out of revaluation reserves

(i) As on the date of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares out of revaluation reserves since its incorporation.

(ii) Except as stated below, our Company has not issued any Equity Shares for consideration other than cash or by way of bonus issue as on the date of this Draft Red Herring Prospectus:

Date of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Reason for allotment	Name of Allottees	Benefits accrued to our Company
December 24, 2021	65,029,250	2	N.A.	Bonus issue of Equity Shares in the ratio of 10:1*	Allotment of 27,587,700 Equity Shares to Sanjeev Jain, 3,750 Equity Shares to Lata Jain, 15,000 Equity Shares to Sanjeev Jain jointly with Arushi Jain, 2,500 Equity Shares to Lata Jain jointly with Umang Jain, 27,603,950 Equity Shares to Sandeep Jain, 2,500 Equity Shares to Sandeep Jain jointly with Kanishk Jain, 2,500 Equity Shares to Sandeep Jain jointly with Manan Jain, 9,811,350 Equity Shares to Ruby QC Investment Holdings Pte. Ltd.	N.A.
March 17, 2023	71,532,175	2	N.A.	Bonus issue of Equity Shares in the ratio of 1:1^	Allotment of 30,346,470 Equity Shares to Sanjeev Jain, 4,125 Equity Shares to Lata Jain, 16,500 Equity Shares to Sanjeev Jain jointly with Arushi Jain, 2,750 Equity Shares to Lata Jain jointly with Umang Jain, 30,364,345 Equity Shares to Sandeep Jain, 2,750 Equity Shares to Sandeep Jain jointly with Kanishk Jain, 2,750 Equity Shares to Sandeep Jain jointly with Manan Jain, 10,792,485 Equity Shares to Ruby QC Investment Holdings Pte. Ltd.	N.A.

* *The record date considered for this bonus issuance is December 24, 2021.*

^ *The record date considered for this bonus issuance is March 17, 2023.*

4. Equity Shares issued at a price lower than the Offer Price in the preceding one year

Except as disclosed in "- *Notes to Capital Structure – Share capital history of our Company*" above, our Company has not issued Equity Shares at a price that may be lower than the Offer Price during the last one year preceding the date of this Draft Red Herring Prospectus.

5. Shareholding Pattern of our Company

The table below presents the equity shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus:

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid-up Equity Shares held (IV)#	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialised form (XIV)
								Number of Voting Rights: Class: Equity Shares	Number of Voting Rights: Total	Total as a % of (A+B+ C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b) on a fully diluted basis	
(A)	**Promoters and Promoter Group**	7	121,479,380	-	NA	121,479,380	84.91	121,479,380	121,479,380	84.91	-	-	-	-	-	-	121,479,380
(B)	**Public**	1	21,584,970	-	-	21,584,970	15.09	21,584,970	21,584,970	15.09	-	-	-	-	-	-	21,584,970
(C)	**Non Promoter-Non Public**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	**Shares underlying depository receipts**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	**Shares held by employee trusts**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A+B+C)	**8**	**143,064,350**	-	NA	**143,064,350**	**100.00**	**143,064,350**	**143,064,350**	**100.00**	-	-	-	-	-	-	**143,064,350**

Note: Based on the beneficiary position as on February 9, 2024.

\# *Subject to approval of the Board and Shareholders of our Company in terms of applicable law, our Company will issue and allot such number of Equity Shares to the ESOP Trust which aggregate to 3% of the paid-up Equity Share capital of our Company on a fully diluted basis, at the time of such issuance. Our Company will complete the issuance and allotment of such Equity Shares to the ESOP Trust prior to filing of the Red Herring Prospectus with the RoC.*

6. Details of equity shareholding of the major shareholders of our Company:

a) Set forth below is a list of shareholders holding 1% or more of the issued and paid-up equity share capital of our Company, as on the date of this Draft Red Herring Prospectus**:**

S. No.	Name of the Shareholder	Number of Equity Shares*	Percentage of the pre-Offer Equity Share Capital* (%)
1.	Sanjeev Jain#	60,725,940β	42.45
2.	Sandeep Jain#	60,739,690α	42.46
3.	Ruby QC Investment Holdings Pte. Ltd.	21,584,970	15.09
	Total	**143,050,600**	**100.00**

β *Includes 33,000 Equity Shares held jointly by Sanjeev Jain with Arushi Jain.*

α *Includes 5,500 Equity Shares held jointly by Sandeep Jain with Kanishk Jain and 5,500 Equity Shares held jointly by Sandeep Jain with Manan Jain.*

* *There are no vested stock options as on the date of filing this Draft Red Herring Prospectus.*

\# *Our individual Promoters, i.e., Sanjeev Jain and Sandeep Jain, will transfer 32,100,000 Equity Shares each, to D.C. Jain, the settlor of the Promoter Trust, prior to filing of the Red Herring Prospectus with the RoC. The settlor of the Promoter Trust will further transfer the Equity Shares to the Promoter Trust prior to filing of the Red Herring Prospectus with the RoC.*

b) Set forth below is a list of shareholders holding 1% or more of the issued and paid-up equity share capital of our Company, as of 10 days prior to the date of this Draft Red Herring Prospectus (as on February 1, 2024):

S. No.	Name of the Shareholder	Number of Equity Shares*	Percentage of the pre-Offer Equity Share Capital* (%)
1.	Sanjeev Jain	60,725,940β	42.45
2.	Sandeep Jain	60,739,690α	42.46
3.	Ruby QC Investment Holdings Pte. Ltd.	21,584,970	15.09
	Total	**143,050,600**	**100.00**

β *Includes 33,000 Equity Shares held jointly by Sanjeev Jain with Arushi Jain.*

α *Includes 5,500 Equity Shares held jointly by Sandeep Jain with Kanishk Jain and 5,500 Equity Shares held jointly by Sandeep Jain with Manan Jain.*

* *There are no vested stock options as on the date of filing this Draft Red Herring Prospectus.*

c) Set forth below is a list of shareholders holding 1% or more of the issued and paid-up equity share capital of our Company, as of one year prior to the date of this Draft Red Herring Prospectus (as on February 10, 2023):

S. No.	Name of the Shareholder	Number of equity shares*	Percentage of the pre-Offer equity share capital* (%)
1.	Sanjeev Jain	30,362,970 β	42.45
2.	Sandeep Jain	30,369,845 α	42.46
3.	Ruby QC Investment Holdings Pte. Ltd.	10,792,485	15.09
	Total	**71,525,300**	**100.00**

β *Includes 16,500 Equity Shares held jointly by Sanjeev Jain with Arushi Jain.*

α *Includes 2,750 Equity Shares held jointly by Sandeep Jain with Kanishk Jain and 2,750 Equity Shares held jointly by Sandeep Jain with Manan Jain.*

* *There are no vested stock options as on the date of filing this Draft Red Herring Prospectus.*

d) Set forth below is a list of shareholders holding 1% or more of the issued and paid-up equity share capital of our Company, as of two years prior to the date of this Draft Red Herring Prospectus (as on February 10, 2022):

S. No.	Name of the Shareholder	Number of equity shares*	Percentage of the pre-Offer equity share capital* (%)
1.	Sanjeev Jain	30,362,970 β	42.45
2.	Sandeep Jain	30,369,845 α	42.46
3.	Ruby QC Investment Holdings Pte. Ltd.	10,792,485	15.09
	Total	**71,525,300**	**100.00**

β *Includes 16,500 Equity Shares held jointly by Sanjeev Jain with Arushi Jain.*

α *Includes 2,750 Equity Shares held jointly by Sandeep Jain with Kanishk Jain and 2,750 Equity Shares held jointly by Sandeep Jain with Manan Jain.*

* *There are no vested stock options as on the date of filing this Draft Red Herring Prospectus.*

7. History of the equity share capital held by our Promoters

As on the date of this Draft Red Herring Prospectus, our individual Promoters, i.e., Sanjeev Jain, and Sandeep Jain in aggregate hold 121,465,630 Equity Shares (which includes 33,000 Equity Shares held jointly by Sanjeev Jain with Arushi Jain, 5,500 Equity Shares held jointly by Sandeep Jain with Kanishk Jain, and 5,500 Equity Shares held jointly by Sandeep Jain with Manan Jain), representing 84.90% of the issued, subscribed and paid-up Equity Share capital of our Company, calculated on a fully diluted basis. Our individual Promoters, i.e., Sanjeev Jain and Sandeep Jain, will transfer 32,100,000 Equity Shares, each, to D.C. Jain, the settlor of the Promoter Trust, prior to filing of the Red Herring Prospectus with the RoC. The settlor of the Promoter Trust will further transfer the Equity Shares to the Promoter Trust prior to filing of the Red Herring Prospectus with the RoC. Upon completion of the aforesaid transfers, Sanjeev Jain, Sandeep Jain, and the Promoter Trust will hold 28,625,940 Equity Shares, 28,639,690 Equity Shares, and 64,200,000 Equity Shares, respectively, representing 19.99%, 20.01%, and 44.87%, respectively, of the issued, subscribed and paid-up Equity Share capital of our Company, calculated on a fully diluted basis.

The details regarding our Promoters' shareholding are set forth below.

(a) Build-up of the Equity shareholding of our Promoters in our Company

The details regarding the build-up of the Equity shareholding of our Promoters in our Company since incorporation is set forth in the table below:

Date of allotment/ transfer	**No. of equity shares**	**Nature of transaction**	**Nature of consideration**	**Face Value per equity share (₹)**	**Issue Price/ Transfer price per equity share (₹)**	**Percentage of the pre-Offer Equity share capital (%)**	**Percentage of the post- Offer capital (%)**
Sanjeev Jain							
May 23, 2004	24,500	Allotment of 24,500 equity shares pursuant to initial subscription to the MoA.	Cash	10	10	0.01	[●]
December 13, 2004	197,700	Further issue	Cash	10	20	0.14	[●]
March 31, 2005	12,500	Further issue	Cash	10	20	Negligible	[●]
February 20, 2006#	3,500	Transfer of 3,500 equity shares from Balraj Bidaliya to Sanjeev Jain	Cash	10	6	Negligible	[●]
August 14, 2006#	250	Transfer of 250 equity shares from Manish Minocha to Sanjeev Jain	Cash	10	10	Negligible	[●]
January 28, 2007	7,500	Transfer of 7,500 equity shares from Maxcure Drugs & Pharmaceuticals Limited to Sanjeev Jain	Cash	10	20	Negligible	[●]
November 9, 2007	23,375	Transfer of 23,375 equity shares from A.K. Laboratories to Sanjeev Jain^	Cash	10	20	0.02	[●]
December 14, 2008	1,250	Transfer of 1,250 equity shares from M.P. Singh to Sanjeev Jain^	Cash	10	20	Negligible	[●]
December 14, 2008	65,200	Transfer of 65,200 equity shares from Dharam Chand Jain jointly with Sanjeev Jain to Sanjeev Jain^$	Gift	10	Not applicable	0.05	[●]
December 14, 2008	300	Transfer of 300 equity shares from D.C. Jain jointly with Arushi Jain to Sanjeev Jain	Cash	10	20	Negligible	[●]

Date of allotment/ transfer	No. of equity shares	Nature of transaction	Nature of consideration	Face Value per equity share (₹)	Issue Price/ Transfer price per equity share (₹)	Percentage of the pre-Offer Equity share capital (%)	Percentage of the post- Offer capital (%)
		jointly with Arushi Jain					
January 31, 2009	7,500	Transfer of 7,500 equity shares from Akums Pharmaceuticals Private Limited to Sanjeev Jain^	Cash	10	20	Negligible	[●]
January 16, 2011	135,000	Transfer of 135,000 equity shares from Lata Jain to Sanjeev Jain	Cash	10	20	0.10	[●]
July 27, 2013	85,000	Transfer of 85,000 equity shares from Sanjeev Jain jointly with D.C. Jain & Sons HUF to Sanjeev Jain$	Gift	10	Not applicable	0.06	[●]
July 27, 2013	22,000	Transfer of 22,000 equity shares from Sanjeev Jain & Sons HUF to Sanjeev Jain$	Gift	10	Not applicable	0.02	[●]
February 28, 2016	1,800	Transfer of 1,800 equity shares from Sanjeev Jain jointly with Kiran Jain to Sanjeev Jain$	Gift	10	Not applicable	Negligible	[●]
November 13, 2019	(35,321)	Transfer of 35,321 equity shares from Sanjeev Jain to Ruby QC Investment Holdings Pte. Ltd.	Cash	10	25,480.85	0.03	[●]
Pursuant to resolutions each dated December 24, 2021 passed by our Board and the Shareholders, the authorized share capital of our Company was sub-divided from ₹15,000,000 divided into 1,500,000 equity shares of face value of ₹10 each to ₹15,000,000 divided into 7,500,000 Equity Shares of face value of ₹2 each. Accordingly, 551,754 equity shares of face value of ₹10 each held by Sanjeev Jain were sub-divided into 2,758,770 equity shares of face value of ₹2 each and 300 equity shares of face value of ₹10 each held by Sanjeev Jain jointly with Arushi Jain were sub-divided into 1,500 equity shares of face value of ₹2 each.							
December 24, 2021	27,587,700	Bonus issue in the ratio of 10 Equity Shares for every 1 Equity Share held by our Shareholders**	Not applicable	2	Not applicable	19.28	[●]
December 24, 2021	15,000	Bonus issue in the ratio of 10 Equity Shares for every 1 Equity Shares held by Sanjeev Jain jointly with Arushi Jain	Not applicable	2	Not applicable	0.01	[●]
March 17, 2023	30,346,470	Bonus issue in the ratio of 1 Equity Share for every 1 Equity Share held by our Shareholders^^	Not applicable	2	Not applicable	21.21	[●]

Date of allotment/ transfer	No. of equity shares	Nature of transaction	Nature of consideration	Face Value per equity share (₹)	Issue Price/ Transfer price per equity share (₹)	Percentage of the pre-Offer Equity share capital (%)	Percentage of the post- Offer capital (%)
March 17, 2023	16,500	Bonus issue of Equity Shares in the ratio of 1 Equity Shares for every 1 Equity Shares held by Sanjeev Jain jointly with Arushi Jain.	Not applicable	2	Not applicable	0.01	[●]
Sub Total (A)	60,725,940					42.45	[●]
Sandeep Jain							
May 23, 2004	24,500	Allotment of 24,500 equity shares pursuant to initial subscription to the MoA	Cash*	10	10	0.02	[●]
December 13, 2004	229,750	Further issue	Cash	10	20	0.16	[●]
March 31, 2005	10,000	Further issue	Cash	10	20	Negligible	[●]
August 14, 2006#	1,500	Transfer of 1,500 equity shares from Lalita Rani to Sandeep Jain	Cash	10	10	Negligible	[●]
January 28, 2007	7,500	Transfer of 7,500 equity shares from Maxcure Drugs & Pharmaceuticals Limited to Sandeep Jain	Cash	10	20	Negligible	[●]
November 9, 2007	23,375	Transfer of 23,375 equity shares from A.K. Laboratories to Sandeep Jain	Cash	10	20	0.02	[●]
December 14, 2008	1,250	Transfer of 1,250 equity shares from N.D. Sachdeva to Sandeep Jain^	Cash	10	20	Negligible	[●]
December 14, 2008	65,200	Transfer of 65,200 equity shares from Dharam Chand Jain jointly with Sandeep Jain to Sandeep Jain^$	Gift	10	Not applicable	0.05	[●]
December 14, 2008	76,800	Transfer of 76,800 equity shares from Vandana Jain to Sandeep Jain^	Cash	10	20	0.05	[●]
December 14, 2008	50	Transfer of 50 equity shares from Vandana Jain jointly with Manan Jain to Sandeep Jain^	Cash	10	20	Negligible	[●]

Date of allotment/ transfer	No. of equity shares	Nature of transaction	Nature of consideration	Face Value per equity share (₹)	Issue Price/ Transfer price per equity share (₹)	Percentage of the pre-Offer Equity share capital (%)	Percentage of the post- Offer capital (%)
December 14, 2008	300	Transfer of 300 equity shares from D.C. Jain jointly with Kanishk Jain to Sandeep Jain jointly with Kanishk Jain	Cash	10	20	Negligible	[●]
January 31, 2009	7,500	Transfer of 7,500 equity shares from Akums Pharmaceuticals Private Limited to Sandeep Jain^	Cash	10	20	Negligible	[●]
January 16, 2011	50	Transfer of 50 equity shares from Sandeep Jain & Sons HUF to Sandeep Jain jointly with Manan Jain	Gift	10	Not applicable	Negligible	[●]
July 10, 2013	52,925	Transfer of 52,925 equity shares from Sandeep Jain & Sons HUF to Sandeep Jain[$]	Gift	10	Not applicable	0.04	[●]
July 27, 2013	85,000	Transfer of 85,000 equity shares from Sandeep Jain jointly with D.C. Jain & Sons HUF to Sandeep Jain[$]	Gift	10	Not applicable	0.06	[●]
February 28, 2016	1,800	Transfer of 1,800 equity shares from Sandeep Jain jointly with Kiran Jain to Sandeep Jain[$]	Gift	10	Not applicable	Negligible	[●]
November 3, 2019	250	Transfer of 250 equity shares from Sandeep Jain jointly with Kanishk Jain to Sandeep Jain	Cash	10	10	Negligible	[●]
November 13, 2019	(35,321)	Transfer of 35,321 equity shares from Sandeep Jain to Ruby QC Investment Holdings Pte. Ltd.	Cash	10	25,480.85	Negligible	[●]
November 3, 2019	(250)	Transfer of 250 equity shares from Sandeep Jain jointly with Kanishk Jain to Sandeep Jain	Cash	10	10	Negligible	[●]
Pursuant to resolutions each dated December 24, 2021 passed by our Board and the Shareholders, the authorized share capital of our Company was sub-divided from ₹15,000,000 divided into 1,500,000 equity shares of face value of ₹10 each to ₹15,000,000 divided into 7,500,000 Equity Shares of face value of ₹2 each. Accordingly, 552,079 equity shares of face value of ₹10 each held by Sandeep Jain were sub-divided into 2,760,395 equity shares of face value of ₹2 each; 50 equity shares of face value of ₹10 each held by Sandeep Jain jointly with Kanishk Jain were sub-divided into 250 equity shares of face value of ₹2 each and 50 equity shares of face value of ₹10 each held by Sandeep Jain jointly with Manan Jain were sub-divided into 250 equity shares of face value of ₹2 each.							

Date of allotment/ transfer	No. of equity shares	Nature of transaction	Nature of consideration	Face Value per equity share (₹)	Issue Price/ Transfer price per equity share (₹)	Percentage of the pre-Offer Equity share capital (%)	Percentage of the post- Offer capital (%)
December 24, 2021	27,603,950	Bonus issue in the ratio of 10 Equity Shares for every 1 equity share held by our Shareholders**	Not applicable	2	Not applicable	19.30	[●]
December 24, 2021	2,500	Bonus issue in the ratio of 10 Equity Shares for every 1 Equity Shares held by Sandeep Jain jointly with Kanishk Jain	Not applicable	2	Not applicable	Negligible	[●]
December 24, 2021	2,500	Bonus issue in the ratio of 10 Equity Shares for every 1 Equity Shares held by Sandeep Jain jointly with Manan Jain	Not applicable	2	Not applicable	Negligible	[●]
March 17, 2023	30,364,345	Bonus issue in the ratio of 1 Equity Share for every 1 Equity Share held by our Shareholders^^	Not applicable	2	Not applicable	21.22	[●]
March 17, 2023	2,750	Allotment pursuant to bonus issue of Equity Shares in the ratio of 1 Equity Shares for every 1 Equity Shares held by Sandeep Jain jointly with Kanishk Jain.	Not applicable	2	Not applicable	Negligible	[●]
March 17, 2023	2,750	Allotment pursuant to bonus issue of Equity Shares in the ratio of 1 Equity Shares for every 1 Equity Shares held by Sandeep Jain jointly with Manan Jain.	Not applicable	2	Not applicable	Negligible	[●]
Sub Total (B)	60,739,690					42.46	[●]
Total	121,465,630					**84.90**	**[●]**

* *Initial subscription to the MoA.*

^ *The share transfer forms for all transfers of equity shares could not be traced as the relevant information was not available in the records maintained by our Company or our Promoters. For arriving at the details of the transfers, we have relied on alternative documents such as annual returns filed by our Company, Board resolutions and the register of members maintained by our Company. We have also conducted a search at the RoC for these records and relied on the search report dated February 6, 2024 prepared by SPG and Associates, independent practicing company secretary, and certified by their certificate dated February 6, 2024. For further details, see "Risk Factors – Certain of our corporate records, filings and instruments of transfer are not traceable. We cannot assure you that no legal proceedings or regulatory actions will be initiated against us in the future in relation to any such discrepancies." on page 46.*

** *The record date considered for this bonus issuance is December 24, 2021.*

$ *We have relied on affidavits issued by Sanjeev Jain and Sandeep Jain, each dated January 18, 2024 as an alternative to gift deeds.*

^^ *The record date considered for this bonus issuance is March 17, 2023.*

The Board resolution approving the transfer of these shares is dated August 25, 2006.

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment/ acquisition of such Equity Shares.

As on the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters are pledged.

None of the members of the Promoter Group, Promoters and our Directors of our Company nor any of their respective relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

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

(b) Shareholding of our Promoters and Promoter Group

The details of shareholding of our Promoters and members of the Promoter Group as on the date of this Draft Red Herring Prospectus are set forth below:

S. No.	Name of the shareholder	Pre-Offer number of Equity Shares	Percentage of the pre-Offer equity share capital (%)	Post-Offer number of Equity Shares*	Percentage of the post-Offer Equity Share capital (%)
			Promoters		
1.	Sandeep Jain	60,739,690[α]	42.46[α]	[●]	[●]
2.	Sanjeev Jain	60,725,940[β]	42.45[β]	[●]	[●]
3.	Akums Master Trust**	-	-	[●]	[●]
			Promoter Group		
4.	Arushi Jain (jointly with Sanjeev Jain)	33,000	0.02	[●]	[●]
5.	Lata Jain	13,750[∞]	0.01[∞]	[●]	[●]
6.	Umang Jain (jointly with Lata Jain)	5,500	Negligible	[●]	[●]
7.	Kanishk Jain (jointly with Sandeep Jain)	5,500	Negligible	[●]	[●]
8.	Manan Jain (jointly with Sandeep Jain)	5,500	Negligible	[●]	[●]
Total		**121,479,380**	**84.91**	**[●]**	**[●]**

* *Subject to finalisation of Basis of Allotment*

β *Includes 33,000 Equity Shares held jointly by Sanjeev Jain with Arushi Jain.*

α *Includes 5,500 Equity Shares held jointly by Sandeep Jain with Kanishk Jain and 5,500 Equity Shares held jointly by Sandeep Jain with Manan Jain.*

∞ *Includes 5,500 Equity Shares held jointly by Lata Jain with Umang Jain.*

** *Our individual Promoters, i.e., Sanjeev Jain and Sandeep Jain, will transfer 32,100,000 Equity Shares each, to D.C. Jain, the settlor of the Promoter Trust, prior to filing of the Red Herring Prospectus with the RoC. The settlor of the Promoter Trust will further transfer the Equity Shares to the Promoter Trust prior to filing of the Red Herring Prospectus with the RoC.*

For details in relation to the shareholding of Directors in our Company, see "*Our Management*" on page 219.

8. Details of Promoters' Contribution and Lock-in

a) In accordance with Regulation 14 and Regulation 16(1) of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer equity share capital of our Company held by our Promoters, shall be locked in for a period of eighteen months, or such other period as prescribed under the SEBI ICDR Regulations, as minimum promoters' contribution from the date of Allotment ("**Promoters' Contribution**"), and our Promoters' shareholding in excess of 20% of the fully diluted post-Offer equity share capital shall be locked in for a period of six months from the date of Allotment.

b) The details of the Equity Shares to be locked-in for a period of eighteen months, or such other period as prescribed under the SEBI ICDR Regulations from the date of Allotment as Promoters' Contribution are set forth in the table below:

Name of the Promoter	Number of Equity Shares locked-in	Date of allotment/ transfer of the Equity Shares	Nature of transaction	Face value per Equity Share (₹)	Issue/ acquisition price per Equity Share (₹)	Percentage of pre-Offer paid-up equity share capital	Percentage of post-Offer paid-up Equity Share capital	Date up to which the Equity Shares are subject to lock in
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

Note: To be updated in the Prospectus

Our Promoters have given their consent to include such number of Equity Shares held by them as disclosed above, constituting 20% of the fully diluted post-Offer equity share capital of our Company as Promoters' Contribution. Our Promoters 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 expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

c) Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution in terms of Regulation 15 of the SEBI ICDR Regulations. For details of the build-up of the Equity Share capital held by our Promoters, see "- *History of the equity share capital held by our Promoters*" on page 78.

In this connection, we confirm that the Equity Shares considered as Promoters' Contribution:

(i) have not been acquired during the immediately preceding three years from the date of this Draft Red Herring Prospectus for consideration other than cash and any revaluation of assets or capitalisation of intangible assets was not involved in such transactions;

(ii) did not result from a bonus issue of equity shares of our Company during the immediately preceding three years from the date of this Draft Red Herring Prospectus, by utilisation of revaluation reserves or unrealised profits of our Company, or from bonus issue against Equity Shares which are otherwise ineligible for Promoters' Contribution;

(iii) are not acquired or subscribed to during the immediately preceding year from the date of this Draft Red Herring Prospectus at a price lower than the price at which the equity shares are being offered to the public in the Offer; and

(iv) are not subject to any pledge or any other encumbrance.

9. Details of Equity Shares locked-in for six months

In addition to the 20% of the fully diluted post-Offer shareholding of our Company held by our Promoters locked in for eighteen months and the remaining post-Offer shareholding held by our Promoters in our Company which is locked in for six months, in terms of Regulations 17 of the SEBI ICDR Regulations, the entire pre-Offer equity share capital of our Company will be locked-in for a period of six months from the date of Allotment in the Offer, except for (i) any Equity Shares that may be allotted to the ESOP Trust in terms of ESOP 2022 or employees upon exercise of options vested pursuant to the ESOP 2022; (ii) the Equity Shares held by Shareholders who are VCFs, Category I AIFs, Category II AIFs or FVCIs, provided that such Equity Shares will be locked-in for a period of at least six months from the date of purchase by such VCFs or Category I AIFs or Category II AIFs or FVCI Shareholders respectively, and (iii) Offered Shares, which are successfully transferred as part of the Offer for Sale.

Lock-in of the Equity Shares to be Allotted, if any, to the Anchor Investors:

50% of the Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 90 days from the date of Allotment and the remaining Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

10. Other requirements

As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

Pursuant to Regulation 21(a) of the SEBI ICDR Regulations, the Equity Shares held by our Promoters, which are locked-in for a period of eighteen months from the date of Allotment may be pledged as collateral security for loans granted by scheduled commercial banks, public financial institutions, NBFC-SI or housing finance companies, provided that such loans have been granted by such bank or institution for the purpose of financing one or more of the objects of the Offer and pledge of the Equity Shares is a term of sanction of such loans, which is not applicable in the context of this Offer.

Pursuant to Regulation 21(b) of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in for a period of six months from the date of Allotment may be pledged as collateral security for loans granted by scheduled commercial banks, public financial institutions, NBFC-SI or housing finance companies, provided that pledge of the Equity Shares is one of the terms of sanction of such loans.

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters which are locked-in as per Regulation 16 of the SEBI ICDR Regulations, may be transferred to the other Promoter or any member of our Promoter Group or a new promoter, subject to continuation of lock-in applicable with the transferee for the remaining period (and such transferees shall not be eligible to transfer until the expiry of the lock-in period) and compliance with provisions of the Takeover Regulations.

Further, in terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by persons (other than our Promoters) prior to the Offer and locked-in for a period of six months, 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 with the transferee for the remaining period (and such transferees shall not be eligible to transfer until the expiry of the lock-in period) and compliance with the provisions of the Takeover Regulations.

11. Except for the allotment of Equity Shares upon exercise of options vested pursuant to the ESOP 2022 and the Fresh Issue, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/ Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or otherwise.

12. Except for any issue of Equity Shares pursuant to Fresh Issue, allotment of Equity Shares pursuant to the Pre-IPO Placement, issuance of Equity Shares to the ESOP Trust and exercise of options vested under the ESOP Scheme, 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 the date of filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.

13. As on the date of filing of this Draft Red Herring Prospectus, the total number of Shareholders of our Company is 8.

14. As on the date of this Draft Red Herring Prospectus, all Equity Shares held by our Promoters are held in dematerialized form.

15. Our Company, any of our Directors and the Book Running Lead Managers have not entered into any buy back arrangements for purchase of Equity Shares from any person.

16. The Equity Shares issued and transferred pursuant to the Offer shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

17. Except for the Offer for Sale by the Promoter Selling Shareholders, the members of the Promoter Group shall not participate in the Offer nor receive any proceeds from the Offer.

18. No person connected with the Offer shall offer or make payment of any incentive, whether direct or indirect, in any manner, whether in cash or kind or otherwise, to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Offer**.**

19. None of the Book Running Lead Managers or their respective associates (as defined in the SEBI Merchant Bankers Regulations) hold any Equity Shares of our Company. The Book Running Lead Managers and their affiliates may engage in the 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 for which they may in the future receive customary compensation.

20. Except for the allotment of Equity Shares (a) to the ESOP Trust and (b) upon exercise of options vested pursuant to the ESOP 2022 and allotment of Equity Shares pursuant to the Pre-IPO placement, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into, or which would entitle any person any option to receive Equity Shares as on the date of this Draft Red Herring Prospectus.

21. Our Company shall ensure that all transactions in the Equity Shares of our Company by our Promoters and the Promoter Group between the date of filing of this Draft Red Herring Prospectus and the date of closure of the Offer shall be intimated to the Stock Exchanges within 24 hours of such transactions.

22. Employee Stock Options Scheme of our Company

Akums Employee Stock Option Scheme 2022

Our Company, pursuant to the resolutions passed by our Board on March 16, 2022 and our Shareholders on March 31, 2022 approved the "Akums Employee Stock Option Scheme 2022" ("**ESOP 2022**"). ESOP 2022 was effective from April 1, 2022. The ESOP 2022 was last amended pursuant to the resolutions passed by our Board on January 17, 2024 and our Shareholders' on January 17, 2024. The purpose of ESOP 2022 is to (i) attract premium talent from the market who align with Company's objective of financial growth and quality products.; (ii) motivate and retain the best talent within the organization; (iii) reward key employees for performance; and (iv) tax optimal plan for both employee and Company. The ESOP 2022 is in compliance with the SEBI SBEB & SE Regulations.

Particulars	Details		
	F.Y. 2021-22	**F.Y. 2022-23**	**April 1, 2023 till the date of this Draft Red Herring Prospectus**
Options granted during the year/period	Cumulative options granted as on March 31, 2022: Currently no option is outstanding / granted	Cumulative options granted as on March 31, 2023: Currently no option is outstanding / granted	Cumulative options granted as on the date of this Draft Red Herring Prospectus: 14,000
No. of employees to whom options were granted	Employees of the Company: NA Employees of the Subsidiaries: NA	Employees of the Company: NA Employees of the Subsidiaries: NA	Employees of the Company: One Employees of the Subsidiaries: NA
Options outstanding	NA	NA	NA
Exercise price of options	NA	NA	INR 1,010 per option
Options vested [(excluding options that have been exercised)]	NA	NA	NA
Options exercised	NA	NA	NA
Total no. of Equity Shares that would arise as a result of full exercise of options granted [(net of cancelled options)]	NA	NA	NA
Options forfeited/lapsed/cancelled	NA	NA	14,000
Variation in terms of options	NA	NA	The ESOP 2022 was modified on October 26, 2023 & February 7, 2024. On both the occasion, the variances in ESOP 2022 were carried out in order to make it in compliance with SEBI SBEB & SE Regulations
Money realised by exercise of options	NA	NA	NA
Total no. of options in force	NA	NA	NA
Employee wise details of options granted to:			
(i) Key management personnel	Name of key managerial personnel: NA Total no. of options granted: NA	Name of key managerial personnel: NA Total no. of options granted: NA	Name of key managerial personnel: NA Total no. of options granted: NA
(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: NA Total no. of options granted: NA	Name of employee: NA Total no. of options granted: NA	Name of employee: Rajat Kalra Total no. of options granted: 14,000
(iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our	Name of employee: NA Total no. of options granted: NA	Name of employee: NA Total no. of options granted: NA	Name of employee: NA Total no. of options granted: NA

Particulars	Details		
	F.Y. 2021-22	**F.Y. 2022-23**	**April 1, 2023 till the date of this Draft Red Herring Prospectus**
Company at the time of grant			
Fully diluted EPS on a pre-Offer basis on exercise of options calculated in accordance with the applicable accounting standard 'Earning Per Share'	NA	NA	NA
Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognised if our Company had used fair value of options and impact of this difference on profits and EPS of our Company for the last three fiscals	NA	NA	NA
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	NA	NA	NA
Impact on profits and EPS of the last three years if our Company had followed the accounting policies specified in Regulation 15 of the ESOP Regulations in respect of options granted in the last three years	NA	NA	NA
Method of option valuation	Black Scholes pricing model		
- Expected life of options (years) - Expected Volatility (% p.a. - Risk Free Rate of Return (%) - Dividend Yield (% p.a.) - Exercise price per share (₹) - Weighted average share price on the date of grant of option (in ₹)	NA	NA*	-5 years; -38.82%-37.72% -6.87%- 7.03% -NA -Exercise price INR 1,010 -INR 1,010.34

**The option grantee had left the organization without fulfilment of vesting conditions.*

OBJECTS OF THE OFFER

The Offer comprises of the Fresh Issue and the Offer for Sale.

Offer for Sale

The Selling Shareholders will be entitled to their respective portion of the proceeds of the Offer for Sale after deducting their proportion of Offer expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds. For further details of the Offer for Sale, see "*Other Regulatory and Statutory Disclosures*" on page 391.

Objects of the Fresh Issue

Our Company proposes to utilize the Net Proceeds towards funding of the following objects:

a. Repayment/ prepayment of indebtedness of our Company and its Subsidiaries;

b. Funding incremental working capital requirements of our Company;

c. Pursuing inorganic growth initiatives through acquisitions; and

d. General corporate purposes.

(collectively, referred to as "**Objects**")

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges and enhancement of our Company's brand name amongst our existing and potential customers and creation of a public market for our Equity Shares in India.

The main objects clause and objects incidental and ancillary to the main objects clause as set out in the Memorandum of Association enables our Company to undertake the activities for which funds are proposed to be raised by our Company through the Fresh Issue.

Net Proceeds

The following table sets forth details of the Net Proceeds:

Particulars	Estimated Amount (in ₹ million) (1)
Gross proceeds from the Fresh Issue*	6,800.00
Less: Offer related expenses to be borne by our Company (2)	[●]
Net proceeds from the Fresh Issue after deducting the Offer related expenses to be borne by our Company ("**Net Proceeds**")	[●]

* *If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer complying with Rule 19(2)(b) of SCRR. Details of the Pre-IPO Placement, if undertaken, shall be included in the Red Herring Prospectus.*

(1) *To be determined after finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC.*

(2) *See 'Offer related expenses' below.*

Requirement of Funds and Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised and deployed in accordance with the estimated schedule of implementation and deployment of Net Proceeds as specified below:

Objects	Estimated Amount (in ₹ million)
Repayment/prepayment of all or certain borrowings of our Company and Subsidiaries	3,870.00
Funding incremental working capital requirements of our Company	550.00
Pursuing inorganic growth initiatives through acquisitions(1)	[●]
General corporate purposes(1)	[●]
Net Proceeds(1)(2)	[●]

(1) *To be finalised upon determination of the Offer Price and updated in the Prospectus prior to the filing of the Prospectus with the RoC. The amount to be utilised for general corporate purposes and achieving inorganic growth through acquisitions shall not exceed 35% of the Gross Proceeds. The amount to be utilised for general corporate purposes alone shall not exceed 25% of the Gross Proceeds.*

(2) *If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer complying with Rule 19(2)(b) of SCRR. Details of the Pre-IPO Placement, if undertaken, shall be included in the Red Herring Prospectus.*

Proposed deployment of Net Proceeds

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds as follows:

(in ₹ million)

Particulars	Amount to be funded from the Net Proceeds	Estimated deployment of the Net Proceeds in Fiscals		
		2025	2026	2027
Repayment/prepayment of all or certain borrowings of our Company and Subsidiaries	3,870.00	3,870.00	-	-
Funding incremental working capital requirements of our Company	550.00	550.00	-	-
Pursuing inorganic growth initiatives through acquisitions(1)(2)	[●]	[●]	[●]	[●]
General corporate purposes(1)(2)	[●]	[●]	[●]	[●]
Net Proceeds(1)	[●]	[●]	[●]	[●]

(1) *To be finalised upon determination of the Offer Price and updated in the Prospectus prior to the filing of the Prospectus with the RoC.*

(2) *The amount to be utilised for general corporate purposes and achieving inorganic growth through acquisitions shall not exceed 35% of the Gross Proceeds. The amount to be utilised for general corporate purposes alone shall not exceed 25% of the Gross Proceeds.*

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, management estimates, market conditions and other external commercial and technical factors including interest rates, exchange rate fluctuations and other charges. However, such fund requirements and deployment of funds have not been appraised by any bank, or financial institution. We may have to revise our funding requirements and deployment schedule on account of a variety of factors such as our financial and market condition, business and strategy, negotiation with lenders, variation in cost estimates and other external factors such as changes in the business environment and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws.

In the event that the estimated utilization of the Net Proceeds in a scheduled fiscal year is not completely met, due to the reasons stated above, the same shall be utilised in the next fiscal year, as may be determined by our Company, in accordance with applicable laws. If the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used towards general corporate purposes and inorganic growth initiatives, to the extent that the total amount to be utilised towards general corporate purposes and inorganic growth initiatives is within the permissible limits in accordance with the SEBI ICDR Regulations.

Means of Finance

Our Company proposes to utilise the Net Proceeds from the Fresh Issue towards (i) repayment of loans availed by the Company and its Subsidiaries; (ii) funding incremental working capital requirements; (iii) pursuing inorganic growth initiatives through acquisitions; and (iv) general corporate purposes. Accordingly, we confirm that there is no need for us to make firm arrangements of finance under Regulation 7(1) E read with paragraph 9 C of the SEBI ICDR Regulations, through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Offer.

Details of the Objects of the Fresh Issue

1. Repayment/prepayment of all or certain borrowings of our Company and Subsidiaries

Our Company has entered into various financial arrangements with banks, financial institutions and other entities. The loan facilities entered into by our Company and its Subsidiaries include borrowing in the form of, *inter alia*, term loans and working capital facilities. For further details, see *"Financial Indebtedness"* beginning on page 329. As on September 30, 2023, our aggregate outstanding borrowings is ₹ 7,077.51 million.

We propose to utilise an estimated amount of ₹3,870 million from the Net Proceeds towards repayment/ prepayment of some of the loan facilities availed by our Company and Subsidiaries ("**Identified Loans**"). The repayment/ prepayment, will help reduce our outstanding indebtedness, assist us in maintaining a favourable debt-equity ratio and enable utilisation of some additional amount from our internal accruals for further investment in business growth and expansion. In addition, we believe that since our debt-equity ratio will improve significantly, it will enable us to raise further resources at competitive rates and additional funds/ capital in the future to fund potential business development opportunities and plans to grow and expand our business in the future. Our Company may choose to repay/ prepay additional borrowings availed by our Company and/ or our Subsidiaries, other than those identified in the table below, which may include additional borrowings availed after the filing of this Draft Red Herring Prospectus. Given the nature of Identified Loans and the terms of repayment/prepayment, the aggregate outstanding borrowing amounts may vary from time to time. However, the aggregate amount to be utilised from the Net Proceeds towards repayment/ prepayment of the Identified Loans (excluding interest accrued thereon), in part or in full, would not exceed ₹3,870 million.

The following table sets forth details of Identified Loan drawn down by our Company and its Subsidiaries, which we may repay/prepay, all or in part, from the Net Proceeds:

Sr. No.	Name of the Lender	Name of the borrower	Date of sanction letter / facility agreement	Nature of borrowing	Amount Sanctioned/ Availed as at 30 September 2023 (₹ in million)	Outstanding amount as on 30 September 2023 (₹ in million)	Repayment date/ Schedule	Tenor	Interest rate as at 30 September 2023	Purpose of raising the loan	Prepayment clause (if any)	Security
Utilisation of Loans by the Company												
1	HDFC Bank Limited	Akums Drugs and Pharmaceuticals Limited	Sanction letter dated April 11, 2023	Working capital demand loan	600.00	480.00	Up to 180 days, revolving, Payable on demand	-	7.60%	For Working capital requirements	Prepayment allowed without any penalty	• Industrial property–- First pari passu charge by way of Equitable Mortgage on Plot no. 19,20 & 21 Sector 6A, IIE, Ranipur, Haridwar, Uttarakhand • Industrial property -First pari passu charge by way of Equitable Mortgage on Plot no. 2,3,4 & 5, Sector 6B, IIE, Ranipur, Haridwar, Uttarakhand • Immovable fixed assets–- First pari passu charge by Equitable Mortgage on land and building located at Plot No. 47-48, Sec 6A IIE, SIDCUL,
2	HDFC Bank Limited	Akums Drugs and Pharmaceuticals Limited		Cash Credit		15.62	Up to 180 days, revolving, Payable on demand	-	8.33%	For Working capital requirements	Prepayment allowed without any penalty	

Sr. No.	Name of the Lender	Name of the borrower	Date of sanction letter / facility agreement	Nature of borrowing	Amount Sanctioned/ Availed as at 30 September 2023 (₹ in million)	Outstanding amount as on 30 September 2023 (₹ in million)	Repayment date/ Schedule	Tenor	Interest rate as at 30 September 2023	Purpose of raising the loan	Prepayment clause (if any)	Security
												Ranipur, Haridwar • Industrial property–- First pari passu charge by way of Equitable Mortgage on Plot no 22, Sector 6A, IIE, Ranipur, Haridwar, Uttarakhand • Plant and machinery – First charge on pari passu basis with banks/ financial institutions on entire movable fixed assets of the company both present and future • Stocks and receivables – First pari passu charge on the current assets of the Company both present and future
3	HDFC Bank Limited	Akums Drugs and Pharmaceuticals Limited	Sanction letter dated October 9, 2023	Working capital demand loan	500.00	500.00	Repayable in 90 days, revolving	-	7.30%	For Working capital requirements	Prepayment allowed without any penalty	• PDC from the Company of INR 500mn. In case company avails lower than

Sr. No.	Name of the Lender	Name of the borrower	Date of sanction letter / facility agreement	Nature of borrowing	Amount Sanctioned/ Availed as at 30 September 2023 (₹ in million)	Outstanding amount as on 30 September 2023 (₹ in million)	Repayment date/ Schedule	Tenor	Interest rate as at 30 September 2023	Purpose of raising the loan	Prepayment clause (if any)	Security
												500mn, then PDC will come for the lower amount.
5	Yes Bank Limited	Akums Drugs and Pharmaceuticals Limited	Sanction letter dated December 13, 2022	Working capital demand loan	600.00	500.00	Up to 28 days, revolving	-	7.60%	For Working capital requirements	Prepayment allowed without any penalty	• First pari passu charge by way of Hypothecation on entire current assets of the Company (both present and future), • First pari passu charge by way of Hypothecation on All Movable Fixed Assets of the Company (both present and future) • First pari passu charge by way of Equitable Mortgage on Industrial Property (of the Company) located at Unit I – L&B situated at Plot No. 19,20 & 21, Sector 6A, IIE, Ranipur, Haridwar, Uttarakhand. Unit II – L&B situated at Plot No. 22, Sector

Sr. No.	Name of the Lender	Name of the borrower	Date of sanction letter / facility agreement	Nature of borrowing	Amount Sanctioned/ Availed as at 30 September 2023 (₹ in million)	Outstanding amount as on 30 September 2023 (₹ in million)	Repayment date/ Schedule	Tenor	Interest rate as at 30 September 2023	Purpose of raising the loan	Prepayment clause (if any)	Security
												6A, IIE, Ranipur, Haridwar, Uttarakhand Unit III – L&B situated at Plot No. 2,3,4 & 5, Sector 6A, IIE, Ranipur, Haridwar, Uttarakhand Unit IV & V – L&B situated at Plot No. 47 & 48, Sector 6A,IIE Ranipur, Haridwar, Uttarakhand.
6	Hong Kong and Shanghai Banking Corporation Limited	Akums Drugs and Pharmaceuticals Limited	Sanction letter dated June 2, 2022	Term loan	250.00	250.00	Repayment in 16 quarterly instalments starting from 10 November 2023 until 10 August 2027	-	7.94%	Reimbursement of capex incurred and fresh capex to be incurred	Any cancellation or prepayment is subject to funding penalties at the Bank's discretion. However, any penalty for cancellation or prepayment on the interest reset date will be NIL.	• First pari passu charge on the entire current assets of company (both present and future) • First pari passu charge over entire movable fixed assets (both present and future) except those exclusively charged to other lenders • First pari passu charge, by way of Equitable Mortgage on immovable fixed

Sr. No.	Name of the Lender	Name of the borrower	Date of sanction letter / facility agreement	Nature of borrowing	Amount Sanctioned/ Availed as at 30 September 2023 (₹ in million)	Outstanding amount as on 30 September 2023 (₹ in million)	Repayment date/ Schedule	Tenor	Interest rate as at 30 September 2023	Purpose of raising the loan	Prepayment clause (if any)	Security
												assets (Land and Building of the Company) at Unit I,II,III and IV and IV at Haridwar.
Utilisation of Loans by Subsidiaries												
8	Citibank N.A.	Maxcure Nutravedics Limited	Sanction letter dated April 27, 2023	Working capital demand loan	800.00	250.00	Maximum 180 days, revolving	-	7.83% to 7.90%	For Working capital requirements	Prepayment subject to penalty of 2% of principle outstanding at the discretion of bank	• First pari passu charge on present and future stocks & book debts of borrower • First pari passu charge on present & future movable fixed assets of company • First pari passu charge by way of equitable mortgage on land & building located at Plot No 13, Sec 6A, IIE, SIDCUL, Ranipur, Haridwar • Demand promissory note and letter of continuity • Drawing power will be calculated

Sr. No.	Name of the Lender	Name of the borrower	Date of sanction letter / facility agreement	Nature of borrowing	Amount Sanctioned/ Availed as at 30 September 2023 (₹ in million)	Outstanding amount as on 30 September 2023 (₹ in million)	Repayment date/ Schedule	Tenor	Interest rate as at 30 September 2023	Purpose of raising the loan	Prepayment clause (if any)	Security
												as per the internal guidelines of the Bank. No drawing power will be assigned to receivables from group entities.
9	HDFC Bank Limited	Pure and Cure Healthcare Private Limited	Sanction letter dated April 12, 2023	Working capital demand loan	740.00	580.00	Maximum 180 days, revolving, payable on demand	-	7.63%	For Working capital requirements	Prepayment allowed without any penalty	• Current assets – First pari passu charge on all current assets of the Company both present and future • Movable Fixed assets – First pari passu charge on all movable fixed assets of the Company both present and future other than exclusively financed by any other bank • Factory Land and Building – First pari passu charge on Land & Building of Haridwar Plant
10	HDFC Bank Limited	Pure and Cure Healthcare Private Limited		Cash credit		141.86	Maximum 180 days, revolving, payable on demand	-	8.40%	For Working capital requirements	Prepayment allowed without any penalty	
11	HDFC Bank Limited	Pure and Cure Healthcare Private Limited	Sanction letter dated October 9, 2023	Working Capital loan	500.00	500.00	Repayable in 90 days, revolving	-	7.30%	For Working capital requirements	Prepayment allowed	• PDC from the Company. The PDC amount shall be

Sr. No.	Name of the Lender	Name of the borrower	Date of sanction letter / facility agreement	Nature of borrowing	Amount Sanctioned/ Availed as at 30 September 2023 (₹ in million)	Outstanding amount as on 30 September 2023 (₹ in million)	Repayment date/ Schedule	Tenor	Interest rate as at 30 September 2023	Purpose of raising the loan	Prepayment clause (if any)	Security
											without any penalty	equivalent to the facility being availed.
12	HDFC Bank Limited	Pure and Cure Healthcare Private Limited	Sanction letter dated March 3, 2022	Term loan	800.00	181.82	Quarterly equal repayment	Door to door tenor of 36 months	8.10% to 8.47%	Capex / Reimbursement on capex	Prepayment allowed without any penalty	• Exclusive charge on movable fixed assets located at Plot no. 38, Sector 8A, SIDCUL, Industrial Area, Haridwar, Uttarakhand • Exclusive charge on factory land and Building located at Plot no. 38, Sector 8A, SIDCUL, Industrial Area, Haridwar, Uttarakhand
13	Hong Kong and Shanghai Banking Corporation Limited	Pure and Cure Healthcare Private Limited *	Sanction letter dated May 20, 2022	Term loan	1,000.00	937.50	Repayment in 16 quarterly instalments starting from 28 September 2023 until 28 June 2027	Door to door tenor of 5 years	7.70%	Reimbursement of capex and reimbursement/ fresh payment to resolution professional for purchase of erstwhile company 'Parabolic Drugs Limited' under NCLT, on slump sale basis.	Any cancellation or prepayment subject to funding penalties at the Bank's discretion.	• First pari passu charge on the entire current assets of company (both present and future) • First pari passu charge on entire movable fixed assets (both present and future) of the Company except those exclusively

Sr. No.	Name of the Lender	Name of the borrower	Date of sanction letter / facility agreement	Nature of borrowing	Amount Sanctioned/ Availed as at 30 September 2023 (₹ in million)	Outstanding amount as on 30 September 2023 (₹ in million)	Repayment date/ Schedule	Tenor	Interest rate as at 30 September 2023	Purpose of raising the loan	Prepayment clause (if any)	Security
												charged to other lenders • First pari passu charge on Equitable Mortgage on immovable fixed assets (Land & Building of the Company) at Panchkula, Derabassi & Lalru • Corporate Guarantee (CGT) from Akums Drugs and Pharmaceuticals Limited along with relevant certified true copy of the Board Resolution and Memorandum of Association and Articles of Association • Note: Security deferral of 6 months

** Pertaining to Akums Lifesciences Limited (erstwhile subsidiary of the Holding company) which has been merged with Pure and Cure Healthcare Private Limited with effect from October 19, 2023.*

Pursuant to certificates, each dated February 10 2024 issued by our Statutory Auditors, they have reported that the amounts drawn-down under the aforementioned borrowings have been utilised towards the purpose for which such borrowings have been sanctioned as per the procedures performed by them detailed in their certificate

For details of security provided for the abovementioned borrowings availed by our Company, see "*Financial Indebtedness*" beginning on page 329.

The repayment/prepayment of the loans (excluding interest accrued thereon) shall be based on various factors including (i) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil such requirements, (ii) levy of any prepayment penalties and the quantum thereof, (iii) provisions of any law, rules, regulations governing such borrowings, and (iv) other 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. Prepayment penalty or premium, if any, and other related costs shall be made by us out of the Net Proceeds of the Offer.

Considering that the Net Proceeds will be utilised towards repayment of borrowings of our Company and its Subsidiaries, our Company shall deploy the Net Proceeds for this Object in the form of equity or debt investments in our Subsidiaries in the manner determined by our Company and as permitted under applicable law.

In addition to the above, we may, from time to time, enter into further financing arrangements and draw down funds thereunder. In such cases or in case the Identified Loans (excluding interest thereon) is repaid/prepaid or refinanced prior to the completion of the Offer, we may utilise Net Proceeds of the Offer towards repayment / prepayment of such additional and/ or re-financed indebtedness availed by us.

2. Funding incremental working capital requirements of our Company

We fund a majority of our working capital requirements in the ordinary course of business from internal accruals/equity and various borrowings from banks. The requirement is proportionate and variable in nature with the growth of our Company. As on September 30, 2023 the outstanding amount under the fund based working capital facilities of our Company was ₹ 6807.12 million and the outstanding amount under non-fund-based facilities availed by our Company, was ₹ 653.21 million. For details, see *"Financial Indebtedness"* beginning on page 329.

Our Company requires additional working capital for funding its incremental working capital requirements in Fiscals 2025. The funding of the incremental working capital requirements of our Company will help lead to a consequent increase in our profitability and in achieving the proposed targets as per our business plan.

Basis of estimation of incremental working capital requirement

<u>Existing working capital</u>

The details of our Company's composition of net current assets as at September 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, for the Company and its Subsidiaries, are as under:

(₹ in million)

	Particulars	**As at**			
		March 31, 2021	**March 31, 2022**	**March 31, 2023**	**September 30, 2023**
I.	**Current assets**				
A.	**Inventories**	4,298.59	7,224.48	7,297.95	6,882.66
B.	**Financial assets:**				
	(i) Investments	190.09	-	-	-
	(ii) Trade receivables	5,313.99	8,843.12	8,450.87	11,189.99
	(iii) Cash and cash equivalents	220.67	551.39	516.08	1,176.30
	(iv) Bank balances other than (ii) above	458.01	477.08	983.81	1,288.14
	(v) Loans	80.00	-	73.73	-
	(vi) Others financial assets	144.07	208.01	152.30	230.41
C.	**Current tax assets (net)**	1.60	-	114.05	114.05
D.	**Other current assets**	867.03	1,336.55	1,199.93	1,472.42
	Total current assets (I)	**11,574.05**	**18,640.63**	**18,788.72**	**22,353.97**
II.	**Current liabilities**				
A.	**Financial liabilities**				
	(i) Lease liability	50.44	66.22	72.41	56.97
	(ii) Trade payables	3,414.14	5,896.66	5,671.39	6,108.69
	(ii) Other financial liabilities	427.49	702.09	628.10	659.91
B.	**Other current liabilities**	263.67	1,545.77	1,421.95	1,223.53
C.	**Provisions**	566.16	589.24	459.37	476.73
D.	**Current tax liabilities (net)**	118.59	478.00	187.68	469.14
	Total current liabilities (II)	**4,840.49**	**9,277.98**	**8,440.90**	**8,994.97**

	Particulars	As at			
		March 31, 2021	March 31, 2022	March 31, 2023	September 30, 2023
III.	**Net Current Assets (III) = [(I) - (II)]**	**6,733.56**	**9,362.65**	**10,347.82**	**13,359.00**
IV.	**Funding pattern**				
A.	Borrowings from banks*	860.50	3,379.34	3,875.52	5,611.53
B.	Internal accruals or equity	5,873.06	5,983.31	6,472.30	7,747.47

 # Other than current maturities of non-current borrowings

Future working capital requirements

On the basis of the existing working capital requirements, management estimates and projected working capital requirements, our Board has, pursuant to its resolution dated February 7, 2024 approved the projected working capital requirements for the financial year ended March 31, 2025 and the proposed funding of such working capital requirements of the Company and its Subsidiaries, as set out below:

(₹ in million)

S. No	Particulars	For the financial year ending on March 31, 2025
I.	**Current assets**	
A.	**Inventories**	8,690.67
B.	Trade receivables	10,758.07
C.	Others financial assets	263.51
D.	Other current assets	786.72
	Total current assets (I) excluding cash and bank balances	**20,498.97**
II.	**Current liabilities**	
A.	Lease liability	58.65
B.	Trade payables	7,249.75
C.	Other financial liabilities	1,217.94
D.	Other current liabilities	524.54
E.	Provisions	570.74
F.	Current tax liabilities (net)	96.72
	Total current liabilities (II) excluding borrowings	**9,718.35**
III.	**Net Current Assets (III) = (I) - (II)**	**10,780.62**
IV.	**Fund pattern**	
A.	Working Capital Facilities	4,879.53
B.	Internal accruals or equity	5,351.09
C.	Usage from Net Proceeds	550.00

* *As certified by T A M S & CO LLP, Chartered Accountants by a certificate dated February 10, 2024.*

Key assumptions for working capital projections made by our Company

Holding levels

The details of the holding levels (with days rounded to the nearest whole number) for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 and six months ended September 30, 2023 and the estimated holding levels (with days rounded to the nearest whole number) as projected for the financial year ended March 31, 2025 are as under:

Particulars	No of days for the Fiscal ended March 31, 2021 (Actual)	No of days for the Fiscal ended March 31, 2022 (Actual)	No of days for the Fiscal ended March 31, 2023 (Actual)	No of days for the six months period ended September 30, 2023 (Actual)	No of days for the Fiscal ended March 31, 2025 (Assumed)
A. Current Assets					
(a) Inventory	93	112	117	97	108
(b) Trade Receivables	71	88	84	95	80
(c) Other current Assets	17	15	15	15	8
B. Current Liabilities					
(a) Trade payables	62	78	75	72	75
(b) Other current Liabilities	26	45	36	34	25

* *As certified by T A M S & CO LLP, Chartered Accountants by a certificate dated February 10, 2024.*

Key Assumptions and Justification for Holding levels:

The table below sets forth the key justifications for holding levels:

Particulars	Assumptions
Inventories	This has been taken as a % to the cost of goods sold in each segment in which they are operating. Inventories include raw materials, finished goods, packing material, work in progress, stores and spares etc. Our Company had maintained inventory days of 93 days in Fiscal 2021, 112 days in Fiscal 2022, 117 days in Fiscal 2023 and 97 days in the six months ended September 30, 2023. It is anticipated to be 108 days for Fiscal 2025.
Trade receivables	This has been calculated as a % of sales. Our Company had maintained trade receivable days of 71 days in Fiscal 2021, 88 days in Fiscal 2022, 84 days in Fiscal 2023 and 95 days in the six months ended September 30, 2023. Our Company anticipates to reduce trade receivables by improving collection efficiency and by bringing down the DSO ("Daily Sales Outstanding") and project trade receivables days to 80 days for Fiscal 2025.
Other current assets	Other current assets include investments, loans, other financial assets, current tax assets (net) and other current assets. For Fiscal 2021, Fiscal 2022, Fiscal 2023 and the six months ended September 30, 2023, our Company's other current assets were 17 days, 15 days, 15 days and 15 days, respectively. It is anticipated to be at 8 days for Fiscal 2025.
Trade payable	This has been calculated as a % of cost of material consumed and other expenses. Our Company had maintained trade payable days of 62 days in Fiscal 2021, 78 days in Fiscal 2022, 75 days in Fiscal 2023 and 72 days for the six months ended September 30, 2023. It is projected to be 74 days for the Fiscal 2025.
Other current liabilities	Other current liabilities include lease liability, other financial liabilities, other current liabilities, provisions and current tax liabilities (net). For Fiscal 2021, Fiscal 2022, Fiscal 2023 and for the six months ended September 30, 2023, our Company's other current liabilities were 26 days, 45 days, 36 days and 34 days, respectively. It is anticipated to be at 25 day for Fiscal 2025.

* *As certified by T A M S & CO LLP, Chartered Accountants by a certificate dated February 10, 2024.*

3. Pursuing inorganic growth initiatives through acquisitions

Our Company has in the past undertaken several acquisitions and we shall continue to evaluate acquisition opportunities in the future that we believe supplement our strategic business objectives and growth strategies. In line with our past practice, we intend to pursue opportunities to undertake acquisitions (i) that allow us to enhance our scale and market position; (ii) that allow us to enhance our product portfolio including product category adjacencies by unlocking potential synergy benefits; (iii) to extend our reach to new geographic markets outside India; and (iv) to capture additional revenue opportunities from our existing customer base to improve our margin profile.

Set forth hereunder are brief details of certain of our material acquisitions that we have undertaken in the last three years:

Name of the target entity/ entity from which the business/asset has been purchased	Year of acquisition	Country/ State of incorporation of the target entity	Purchase consideration (in ₹ million)	Mode of acquisition	Benefit of acquisition	Property, plant and equipment and intangible assets as on March 31, 2023 (in ₹ million)
Acquisition of infrastructural assets of Ankur Drugs and Pharma Limited from Edelweiss Asset Reconstruction Company Limited by Pure and Cure Healthcare Private Limited.	FY 2023-2024	Himachal Pradesh	360.10	Assets purchase	Capacity Enhancement	N.A.
Acquisition of infrastructural assets of Origin Formulations Private Limited by Akums Healthcare Limited	FY 2021-2022	Uttarakhand	130.60	Assets purchase	Capacity enhancement	256.65
Acquisition of infrastructural assets of Ankur Drugs and Pharma Limited from Edelweiss Asset Reconstruction Company Limited by Pure and Cure Healthcare Private Limited	FY 2021-2022	Himachal Pradesh	573.30	Assets purchase	Capacity enhancement	708.45

Name of the target entity/ entity from which the business/asset has been purchased	Year of acquisition	Country/ State of incorporation of the target entity	Purchase consideration (in ₹ million)	Mode of acquisition	Benefit of acquisition	Property, plant and equipment and intangible assets as on March 31, 2023 (in ₹ million)
Acquisition of Akums Lifesciences Limited (erstwhile 'Parabolic Drugs Limited')	FY 2020-2021	Punjab and Haryana	969.15	Business purchase	Entry in the API business	3,997.91
Acquisition of infrastructural assets from Lakhani Shoes & Apparels Private Limited by Pure and Cure Healthcare Private Limited	FY 2020-2021	Uttarakhand	157.60	Assets purchase	Capacity enhancement	192.98

For details of material acquisitions undertaken in the past by us, see "*History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years*" on page 207.

Rationale for acquisitions in future

Our acquisition strategy is primarily driven by our Board and the typical framework and process followed by us for acquisitions involves identifying the strategic acquisitions based on the rationale set out above, entering into requisite non-disclosure agreements and conducting diligence of the target. Once we have satisfactorily concluded the diligence exercise, we enter into definitive agreements to acquire the target based on the approval of our Board and the shareholders, if required.

Our organic growth strategy and associated investments are and will continue to be subject to multiple internal and external factors, including applicable business requirements, investments in newer technology infrastructure and platforms and towards adapting to changes in customer preferences and technological advancements. Some of the selection criteria that we may consider when evaluating strategic acquisitions include:

- expertise in the products we wish to expand into;
- strategic fit with our existing business such that the businesses are synergistic with some of our existing businesses/customers or where we can look to leverage some of our existing experience, expertise or relationships, amongst other competencies;
- new customers / users that we can serve with our existing capabilities;
- product portfolio or product category adjacencies that can increase our wallet share from existing as well new customers;
- newer product offerings as well as improvement of our product and customer mix such that our overall margin profile improves;
- enhance our geographical reach; and
- strengthen market share in existing markets.

The amount of Net Proceeds to be used for acquisitions will be based on our management's decision and may not be the total value or cost of any such acquisitions but is expected to provide us with sufficient financial leverage to pursue such acquisitions, including payment towards goodwill and net assets and consideration for equity share purchase. For further details, see the section titled "*Risk Factors – Our funding requirements and deployment of the Net Proceeds are based on current circumstances of our business and may be subject to change based on various factors. Any variation in the utilization of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval." on page 54.*

We intend to utilize the above-stated portion of the Net Proceeds towards our strategic acquisitions and/or investments which may be undertaken over the course of three financial years. As on the date of this Draft Red Herring Prospectus, we have not entered into any definitive agreements towards any future acquisitions or strategic initiatives. These factors will also determine the form of investment for these potential acquisitions, i.e., whether they will be directly done by our Company or through investments in our Subsidiaries in the form of equity, debt or any other instrument or combination thereof, or whether these will be in the nature of business, asset or technology acquisitions or joint ventures.

The proposed inorganic acquisition shall be undertaken in accordance with the applicable laws, including the Companies Act, FEMA and the regulations notified thereunder, as the case may be. Further, in accordance with the SEBI Listing Regulations, our Company will disclose to the Stock Exchanges, details of acquisition and/or investments such as cost and nature of such acquisition and/or investments, as and when acquired. We undertake that the acquisition and/or investments proposed to be undertaken from the Net Proceeds shall not be acquired from the Promoter, Promoter Group entities, Group Companies, affiliates or any other related parties.

4. General corporate purpose

The Net Proceeds will first be utilized towards the Objects as set out above. Subject to this, our Company intends to deploy any balance Net Proceeds towards general corporate purposes as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the gross proceeds of the Fresh Issue, in compliance with the SEBI ICDR Regulations. Further, the cumulative amount to be utilized towards general corporate purposes and our object of pursuing inorganic initiatives shall not exceed 35% of the Gross Proceeds.

The general corporate purposes include, but are not restricted to:

(i) meeting fund requirements which our Company may face in the ordinary course of business;

(ii) strengthening marketing capabilities and brand building exercises;

(iii) meeting ongoing general corporate contingencies;

(iv) business requirements of our Company in the ordinary course of business towards salaries and wages, rent, administration expenses, upgrading our technology and maintenance, payment to creditors, advisory services; and

(v) any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act, 2013.

The allocation or quantum of utilization of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our management, in accordance with the policies of the Board, shall have the flexibility in utilizing surplus amounts, if any. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the next Fiscal.

In case of variations in the actual utilization of funds designated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds or through our internal accruals, if any which are not applied to the other purposes set out above.

Offer related expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] million.

The Offer related expenses primarily include fees payable to the BRLMs and legal counsels, fees payable to the Statutory Auditor and the Previous Auditor, brokerage and selling commission, underwriting commission, commission payable to Registered Brokers, RTAs, CDPs, SCSBs' fees, Sponsor Bank's fees, 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.

Other than (a) listing fees and stamp duty payable on issue of Equity Shares pursuant to Fresh Issue which shall be borne solely by the Company, and (ii) stamp duty payable on transfer of the Offered Shares pursuant to the Offer for Sale and fees and expenses for the legal counsel to the Selling Shareholders which shall be borne solely by the respective Selling Shareholders, all costs, charges, fees and expenses associated with and incurred with respect to the Offer, shall be shared among the Company and the Selling Shareholders on a *pro rata* basis, in proportion to the Equity Shares alotted by the Company in the Fresh Issue and sold by the respective Selling Shareholders in the Offer for Sale in accordance with Section 28(3) of the Companies Act.

The estimated Offer related expenses are as follows:

(₹ in million)

S. No	Activity	Estimated amount[(1)] (₹ in million)	As a % of total estimated Offer Expenses[(1)]	As a % of Offer Size[(1)]
1.	BRLMs fees and commissions (including underwriting commission)	[●]	[●]	[●]
2.	Brokerage, selling commission, bidding charges, processing fees and bidding charges for the Members of the Syndicate, Registered Brokers, SCSBs, RTAs and CDPs [(2)(3)(4)(5)(6)]	[●]	[●]	[●]
3.	Advertising and marketing expenses for the Offer	[●]	[●]	[●]
4.	Other expenses (i) Listing fees, SEBI filing fees, BSE & NSE processing fees, book building software fees, (ii) Other regulatory expenses, (iii) Printing and stationery expenses (iv) Fees payable to the legal counsel (v) Fees payable to other advisors to the Offer (vi) Fees payable to the Registrar to the Offer (vii) Miscellaneous	[●] [●] [●]	[●] [●] [●]	[●] [●] [●]
	Total Estimated Offer Expenses	[●]	[●]	[●]

(1) Amounts will be finalised and incorporated in the Prospectus on determination of Offer Price

(2) Selling commission payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders, which are directly procured by the SCSBs, would be as follows:

*Portion for Retail Individual Bidders**	*[●]% of the Amount Allotted* (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*[●]% of the Amount Allotted* (plus applicable taxes)*
Employee Reservation Portion	*[●]% of the Amount Allotted* (plus applicable taxes)*

**Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price*

No processing fees shall be payable by our Company and the Selling Shareholders to the SCSBs on the applications directly procured by them.

(3) Processing fees payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

Portion for Retail Individual Bidders	*₹[●] per valid application (plus applicable taxes)*
Portion for Non-Institutional Bidders	*₹[●] per valid application (plus applicable taxes)*
Employee Reservation Portion	*[●]% of the Amount Allotted* (plus applicable taxes)*

(4) The Processing fees for applications made by Retail Individual Bidders using the UPI Mechanism would be as follows:

Members of the Syndicate / RTAs / CDPs	*₹[●] per valid application (plus applicable taxes)*
Sponsor Bank	*[●] per valid Bid cum Application Form* (plus applicable taxes)* *The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NCPI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.*

* *For each valid application*

(5) Selling commission on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs would be as follows:

Portion for Retail Individual Bidders	*[●]% of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Bidders	*[●]% of the Amount Allotted* (plus applicable taxes)*
Employee Reservation Portion	*[●]% of the Amount Allotted* (plus applicable taxes)*

* *Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price*

(6) Bidding charges of ₹ [●] (plus applicable taxes) shall be paid per valid Bid cum Application Form collected by the Syndicate, RTAs and CDPs (excluding applications made by Retail Individual Investors using the UPI mechanism). The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges. No additional bidding charges shall be payable to SCSBs on the Bid cum Application Forms directly procured and bid by them.

(7) Selling commission payable to the Registered Brokers on the portion for Retail Individual Investors, Non-Institutional Investors and Eligible Employees which are directly procured by the Registered Brokers and submitted to SCSB for processing, shall be ₹ [●] per valid Bid cum Application Form (plus applicable taxes).

The Selling Commission payable to the Syndicate / Sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member. The selling commission and bidding charges payable to Registered Brokers the RTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the bid book of BSE or NSE.

In addition to the selling commission referred above, any additional amount(s) to be paid by our Company and Selling Shareholders shall be as mutually agreed amongst the Book Running Lead Manager, their respective Syndicate Members, our Company and Selling Shareholders before the opening of the Issue.

Appraisal of the Objects and Bridge Financing

The objects of the Fresh Issue have not been appraised by any bank, financial institution or agency and we have not raised any bridge loans against the Net Proceeds.

Monitoring of Utilisation of Funds

In terms of Regulation 41 of the SEBI ICDR Regulations, our Company shall appoint a Monitoring Agency for monitoring the utilisation of net proceeds, prior to the filing of the Red Herring Prospectus, as the size of the Fresh Issue exceeds ₹ 1,000.00 million, in accordance with Regulation 41 of the SEBI ICDR Regulations. Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in our balance sheet for such periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilised if any, of such currently unutilised Net Proceeds. Our Company will also, in its balance sheet for the applicable Fiscals, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.

Pursuant to Regulation 18(3) and Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our director's report, after placing the same before the Audit Committee. We will disclose the utilisation of the Net Proceeds under a separate head along with details in our balance sheet(s) until such time as the Net Proceeds remain unutilised clearly specifying the purpose for which such Net Proceeds have been utilised. Our Company will indicate investments, if any, of unutilised Net Proceeds in the balance sheet of our Company for the relevant Fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Interim use of Net Proceeds

The Net Proceeds shall be retained in the Public Offer Account until receipt of the listing and trading approvals from the Stock Exchanges by our Company. Pending utilization of the Net Proceeds for the purposes described above, our Company undertakes to deposit the Net Proceeds only in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as may be approved by our Board or the IPO Committee.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Other Confirmations

Except to the extent of any proceeds received pursuant to the sale of Offered Shares proposed to be sold in the Offer by the Selling Shareholders, no part of the proceeds of the Offer will be paid by our Company to our Promoters, members of the Promoter Group, our Directors or our Key Managerial Personnel or Senior Management Personnel.

Our Company has not entered into and is not planning to enter into any arrangement/ agreements with any of our Directors, Key Managerial Personnel, Senior Management Personnel in relation to the utilisation of the Net Proceeds. Further, there are no material existing or anticipated interest of such individuals and entities in the objects of the Offer except as set out above.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act, 2013 and the applicable rules, and the SEBI ICDR Regulations, our Company shall not vary the objects of the Fresh Issue without our Company being authorised to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("**Notice**") shall specify the prescribed details as required under the Companies Act, 2013. The Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, the vernacular language of the jurisdiction where our Registered Office is situated. Pursuant to Section 13(8) of the Companies Act, 2013, our Promoters will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal, to vary the objects, subject to the provisions of the Companies Act, 2013 and in accordance with such terms and conditions, including in respect of proving of the Equity Shares, in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations.

BASIS FOR OFFER PRICE

The Price Band will be determined by our Company, in consultation with the BRLMs. The Offer Price will also be determined by our Company, in consultation with the BRLMs, on the basis of the Book Building Process and the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 2 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. The financial information included herein is derived from our Restated Consolidated Financial Information. Investors should refer to "*Risk Factors*", "*Our Business*", "*Restated Consolidated Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 27, 171, 244 and 333, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors which form the basis for the Offer Price are:

(i) Largest India-focused CDMO serving the Indian domestic pharmaceutical industry;

(ii) Diverse client base with longstanding CDMO relationships;

(iii) Large and rapidly growing R&D capabilities across our product portfolio;

(iv) Strategic presence across the pharmaceutical value chain; and

(v) Experienced and entrepreneurial management team with a proven track record and marquee healthcare focused PE investor.

For further details, see "*Our Business- Our Strengths*" beginning on page 175.

Quantitative Factors

Some of the information presented in this chapter is derived from the Restated Consolidated Financial Information. For further information, see "*Financial Information*" beginning on page 244. Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

1. Basic and Diluted Earnings per Equity Share

Fiscal/ Period ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2023	6.63	6.63	3
March 31, 2022	(17.65)	(17.65)	2
March 31, 2021	8.58	8.58	1
Weighted Average	(1.14)	(1.14)	
Six months ended September 30, 2023*	(10.93)	(10.93)	-
Six months ended September 30, 2022*	4.80	4.80	

* *Not annualized.*

Notes:

i) Basic EPS is calculated as restated profit for the period/ year attributable to equity holders of the parent divided by weighted average number of basic equity shares outstanding during the period/ year.

ii) Diluted EPS is calculated as restated profit for the period/ year attributable to equity holders of the parent divided by weighted average number of diluted equity shares outstanding during the period/ year.

iii) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year divided by Total of weights

iv) Basic and diluted earnings per equity share: Basic and diluted earnings per equity share are computed in accordance with the notified Indian Accounting Standard 33 'Earnings per share'.

v) The figures disclosed above are based on the Restated Consolidated Financial Information of the Company.

vi) The face value of each Equity Share is ₹ 2 each.

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

Particulars	P/E at Floor Price (number of times)	P/E at Cap Price (number of times)
Based on basic EPS as per the Restated Consolidated Financial Information for the financial year ended March 31, 2023	The details shall be provided post the fixing of the price band by our Company at the stage of the red herring prospectus or the filing of the price band advertisement	

Particulars	P/E at Floor Price (number of times)	P/E at Cap Price (number of times)
Based on diluted EPS as per the Restated Consolidated Financial Information for the financial year ended March 31, 2022		

3. Industry P/E ratio

Particulars	P/E Ratio
Highest	71.86
Lowest	31.56
Average	48.32

Notes:

(1) The industry high and low has been considered from the industry peer set provided later in this chapter.

(2) For further details, see "Basis for Offer Price – Comparison of Accounting Ratios with Listed Industry Peers" beginning on page 107.

(3) The industry P/E ratio mentioned above is computed based on the closing market price of equity shares on NSE on February 5, 2024 divided by the Diluted EPS as on for the financial year ended March 31, 2023

4. Average Return on Net Worth

Fiscal ended	Return on Net Worth (%)	Weight
March 31, 2023	13.23	3
March 31, 2022	(40.60)	2
March 31, 2021	13.87	1
Weighted Average	(4.61)	
Six months ended September 30, 2023*	(27.91)	-
Six months ended September 30, 2022*	9.94%	

* *Not annualized.*

Notes:

i) Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.

ii) Return on Net Worth (%) = Restated Profit/(loss) for the period/year attributable to equity holders of the parent divided by Equity attributable to equity holders of the parent

5. Net Asset Value per Equity Share

Net Asset Value per Equity Share	(in ₹)
As on March 31, 2023	50.13
As on September 30, 2023*	39.17
As on September 30, 2022*	48.24
After the Offer	
- At the Floor Price	[●]
- At the Cap Price	[●]
At Offer Price	[●]

**Not annualized.*

Notes:

(1) Offer Price per Equity Share will be determined on conclusion of the Book Building Process.

(2) Net assets value per share is calculated as Equity attributable to equity holders of the parent divided by weighted average number of equity shares outstanding during the period/ year.

6. Comparison of accounting ratios with Listed Industry Peers

Name of Company	Face Value Per Share (₹)	Closing price on 5th February, 2024 (₹)	Operating revenue for Fiscal 2023 (₹ million)	EPS (₹)		P/E	Return on tangible Net Worth (%)	Net Asset Value per Equity Share (₹)
				Basic	Diluted			
Akums Drugs and Pharmaceuticals	2.00	[●]	36,548.20	6.63	6.63	[●]	13.23%	50.13
Peer Group								
Divi's Laboratories	2.00	3,699.50	77,675.10	68.69	68.69	53.86	14.28%	480.93
Suven Pharma	1.00	653.10	13,403.30	16.16	16.16	40.41	23.70%	68.16
Gland Pharma	1.00	2,018.00	36,246.01	47.44	47.43	42.55	9.81%	483.41
Torrent Pharma	5.00	2,643.70	96,201.50	36.79	36.79	71.86	20.09%	183.13

Name of Company	Face Value Per Share (₹)	Closing price on 5th February, 2024 (₹)	Operating revenue for Fiscal 2023 (₹ million)	EPS (₹)		P/E	Return on tangible Net Worth (%)	Net Asset Value per Equity Share (₹)
				Basic	Diluted			
Alkem Laboratories	2.00	4,924.05	1,15,992.60	82.31	82.31	59.82	10.88%	756.52
Eris Lifesciences	10.00	885.80	16,851.49	28.10	28.07	31.56	17.40%	161.49
JB Chemicals	2.00	1,708.40	31,492.82	53.00	52.34	32.64	16.52%	320.77
Mankind Pharma	1.00	2,057.45	87,494.33	32.00	32.00	64.30	17.24%	185.61
Innova Captab	10.00	536.75	9,263.80	14.16	14.16	37.91	24.58%	57.61

Source:

1) *Closing Price per share is closing price in NSE as on 5th February, 2024.*
2) *P/E is calculated as closing price / diluted EPS*
3) *Face Value per equity share, Revenue for Operations for Fiscal 2023, EPS (Basic), EPS (Diluted), Return on Net Worth (%) and Net Asset Value per Equity Share are sourced from the Industry Report*

7. Key Performance Indicators

The table below sets forth the details of KPIs that our Company considers have a bearing for arriving at the basis for Offer Price. The key financial and operational metrics set forth above, have been approved and verified by the Audit Committee pursuant to its resolution dated February 7, 2024. Further, the Audit Committee has on February 7, 2024 taken on record that other than the key financial and operational metrics set out below, our Company has not disclosed any other key performance indicators during the three years preceding this Draft Red Herring Prospectus with its investors. The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help it in analyzing the growth of various verticals in comparison to our Company's listed peers, and other relevant and material KPIs of the business of our Company that have a bearing for arriving at the Basis for Offer Price have been disclosed below. Additionally, the KPIs have been certified by way of certificate dated February 10, 2024 issued by T A M S & CO LLP, Chartered Accountants, who hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. The certificate dated February 10, 2024 issued by T A M S & CO LLP, Chartered Accountants, has been included in '*Material Contracts and Documents for Inspection* – *Material Documents*' on page 449.

The Bidders can refer to the below-mentioned KPIs, being a combination of financial and operational KPIs, to make an assessment of our Company's performances and make an informed decision.

A list of our KPIs for six months period ended September 30, 2023 and September 30, 2022 and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 is set out below:

S. No.	Financial KPIs	Unit	Six months period ended		For the year ended		
			30 September 2023	30 September 2022	31 March 2023	31 March 2022	31 March 2021
(a)	Revenue from operations	(₹ in million)	21,511.38	18,213.63	36,548.20	36,718.93	27,226.29
(b)	EBITDA(1)	(₹ in million)	414.31	1,540.74	3,840.55	(690.89)	2,584.99
(c)	EBITDA margin(2)	%	1.91%	8.32%	10.38%	-1.87%	9.42%
(d)	EBIT(3)	(₹ in million)	(187.07)	1,015.51	2,712.46	(1,637.68)	1,886.58
(e)	EBIT margin(4)	%	-0.86%	5.48%	7.33%	-4.43%	6.88%
(f)	Profit for the period/year	(₹ in million)	(1,547.39)	690.85	978.17	(2,508.74)	1,234.35
(g)	Profit after tax margin(5)	%	-7.14%	3.73%	2.64%	-6.79%	4.50%
(h)	Fixed asset turnover ratio(6)*	Times	1.89	1.62	3.41	3.79	3.26
(i)	Debt-equity ratio(7)	Times	1.26	1.05	0.75	0.58	0.11
(j)	Return on equity(8)*	%	-27.23%	9.96%	13.52%	-40.13%	13.91%
(k)	Return on capital employed(9)*	%	-1.83%	7.80%	24.60%	-18.89%	21.06%
(l)	Segment results before depreciation*	(₹ in million)					
	- CDMO		2,950.39	1,576.53	3,922.87	4,001.51	2,765.15
	- API		(210.48)	(532.19)	(1,034.45)	(223.74)	(21.14)
	- Branded & Generic Formulations		157.04	185.74	451.05	339.99	319.24

S. No.	Financial KPIs	Unit	Six months period ended		For the year ended		
			30 September 2023	30 September 2022	31 March 2023	31 March 2022	31 March 2021
(m)	Segment results before depreciation margin(10)*	%					
	- CDMO		17.56%	11.94%	14.41%	15.04%	12.93%
	- API		-22.55%	-58.18%	-58.36%	-20.47%	-314.58%
	- Branded & generic formulations		4.16%	4.54%	5.98%	3.77%	5.46%
(n)	Adjusted EBITDA(11)#	(₹ in million)	2,950.77	1,277.47	3,400.86	4,250.85	3,123.22
(o)	Adjusted EBITDA margin(12)	%	13.62%	6.90%	9.19%	11.51%	11.38%
(p)	Adjusted EBIT(13)#	(₹ in million)	2,349.39	752.24	2,272.77	3,304.06	2,424.81
(q)	Adjusted EBIT margin(14)	%	10.85%	4.06%	6.14%	8.94%	8.84%
(r)	Adjusted Return on equity(15)*#	%	5.41%	2.49%	3.11%	14.51%	12.27%
(s)	Adjusted Return on Capital employed(16)*#	%	10.30%	3.23%	10.77%	17.22%	16.69%

**Not annualized for six months ended September 30, 2023 and September 30, 2022.*

 # Calculated without considering the computation of fair value of the put option liability. The Put option liability arose as a result of buyback obligation on account of certain exit rights granted to Ruby QC Investment Holdings Pte. Ltd. by our Company, under the shareholder agreement, dated October 3, 2019, entered among our Company and the Promoters. This put option liability or the buyback obligation is recognised as a financial liability and is re-measured at each accounting date and has been recognised as fair value changes to the financial instrument in the Restated Consolidated Financial Information in accordance with Ind AS 109 "Financial Instruments' applicable to our Company.

Notes:

(1) *EBITDA refers to sum of EBIT and depreciation and amortization expense.*
(2) *EBITDA margin is calculated as EBITDA divided by total income.*
(3) *EBIT refers to earnings before interest and tax, calculated as the sum of restated profit/(loss) before share of profit/(loss) of associates and exceptional items for the period / year, and finance costs.*
(4) *EBIT margin is calculated as EBIT divided by total income.*
(5) *Profit after tax margin is calculated as the percentage of restated profit after tax for the period/ year divided by total income.*
(6) *Fixed asset turnover ratio is calculated as revenue from operations divided by fixed assets at the end of the period/ year. Fixed assets includes Property, plant and equipment, Capital work-in-progress, Other intangible assets and Intangible assets under development.*
(7) *Debt-equity ratio is calculated by dividing total debt (including both current and non-current borrowings) by equity attributable to equity holders of the Company.*
(8) *Return on equity is calculated by dividing restated profit for the period/ year by total equity.*
(9) *Return on Capital Employed is calculated as EBIT divided by capital employed (i.e. sum of total equity and net debt). Net debt is calculated as total debt (including both current and non-current borrowings) less cash and cash equivalent, bank balance other than cash and cash equivalents and fixed deposits with remaining maturity of more than 12 months.*
(10) *Segment results before depreciation margin is calculated as segment results before depreciation from each segment divided by revenue from operations from that segment.*
(11) *Adjusted EBITDA is calculated as the sum of restated profit for the year/period, tax expenses, finance costs, depreciation and amortization expense, fair value changes to financial instruments, share of profit/ (loss) of associates and exceptional items.*
(12) *Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by total income.*
(13) *Adjusted EBIT is calculated as the sum of our restated profit/(loss) before share of profit/(loss) of associates and exceptional items for the year/period, finance costs and fair value changes to financial instruments.*
(14) *Adjusted EBIT margin is calculated as Adjusted EBIT divided by total income.*
(15) *Adjusted return on equity is calculated by dividing the sum of profit after tax for the year/period and fair value changes to financial instrument by the sum of total equity and put option liability*
(16) *Adjusted return on capital employed is calculated as Adjusted EBIT divided by capital employed (i.e. sum of total equity, net debt and put option liability). Net debt is calculated as total debt (including both current and non-current borrowings) less cash and cash equivalent, bank balances other than cash and cash equivalents and fixed deposits with remaining maturity of more than 12 months.*

The above KPIs of our Company have also been disclosed, along with other key financial and operating metrics, in '*Our Business*' and '*Management's Discussion and Analysis of Financial Condition and Results of Operations*' beginning on pages 171 and 333, respectively. All such KPIs have been defined consistently and precisely in '*Definitions and Abbreviations – Conventional and General Terms and Abbreviations*' on page 11.

Our Company shall continue to disclose the KPIs disclosed hereinabove in this section on a periodic basis, at least once in a year (or for any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares, or until the utilization of Offer Proceeds, whichever is later, on the Stock Exchanges pursuant to the Offer, or for such other period as may be required under the SEBI ICDR Regulations.

Explanation for the KPI metrics

KPI	Explanation
Revenue from operations	Revenue from operations represents the income generated by our Company from its core operating operations. This gives information regarding the scale of operations.
EBITDA	Tracking EBITDA helps us identify underlying trends in our business and facilitates evaluation of year-on-year operating performance of our operations by eliminating items that are variable in nature and not considered by us in the evaluation of ongoing operating performance and allowing comparison of our recurring core business operating

KPI	Explanation
	results over multiple periods.
EBITDA margin	Tracking EBITDA Margin assists in tracking the margin profile of our business and in understanding areas of our business operations which have scope for improvement.
EBIT	EBIT provides information regarding the true cost of running the company because it takes into account depreciation and amortization cost. This is important because parts of our Company's properties, manufacturing plants and equipment will eventually need to be replaced as they get used, broken down, decayed, etc.
EBIT margin	Tracking EBIT margin assists in tracking the operational efficiency of our business and allows comparison of results over multiple periods.
Profit for the period /year	Tracking restated profit for the year helps us track the overall profitability of our business after tax.
PAT margin	Tracking PAT margin assists in tracking the margin profile of our business and allows comparison of results over multiple periods.
Fixed Asset turnover ratio	This formula helps us assess how efficiently sales are being generated from existing fixed assets over multiple periods.
Debt-equity ratio	This metric helps our Company track the leverage position over multiple periods and deploy the modified strategies.
Return on equity	This ratio helps our Company in measuring the returns generated from equity financing.
Return on Capital Employed	This ratio helps our Company in measuring the operating returns generated from total capital employed in the business.
Segment results before depreciation	
- CDMO	This metric helps our Company to track the EBITDA from CDMO business.
- Branded & generic formulations	This metric helps our Company to track the EBITDA from Branded & Generic formulations business.
- API	This metric helps our Company to track the EBITDA from API business.
Segment results before depreciation margin (%)	
CDMO	Tracking EBITDA Margin of CDMO segment assists in tracking the margin profile of our CDMO business and in understanding areas which have scope for improvement.
- Branded & generic formulations	Tracking EBITDA Margin of Branded & Generic Formulations segment assists in tracking the margin profile of our Branded and Generic Formulations business and in understanding areas which have scope for improvement.
- API	Tracking EBITDA Margin of API segment assists in tracking the margin profile of our API business and in understanding areas which have scope for improvement.
Adjusted EBITDA	Adjusted EBITDA is EBITDA adjusted for fair value changes to financial instruments.
Adjusted EBITDA margin	Adjusted EBITA margin is EBITDA margin adjusted for fair value changes to financial instruments.
Adjusted EBIT	Adjusted EBIT is EBIT adjusted for fair value changes to financial instruments.
Adjusted EBIT margin	Adjusted EBIT margin is EBIT margin adjusted for fair value changes to financial instruments.
Adjusted Return on equity	Adjusted Return on Equity is Return on Equity adjusted for fair value changes to financial instruments and corresponding put option liability.
Adjusted Return on Capital employed	Adjusted Return on Capital Employed is Return on Capital Employed adjusted for fair value changes to financial instruments and corresponding put option liability.

Comparison of financial KPIs of our Company and our listed peers

As at and for Fiscal 2023											
Parameter	**Units**	**Akums Drugs and Pharmaceuticals**	**Divi's Laboratories**	**Suven Pharma**	**Gland Pharma**	**Torrent Pharma**	**Alkem Laboratories**	**Eris Lifesciences**	**JB Chemicals**	**Mankind Pharma**	**Innova Captab**
Revenue from operations	Rs Million	36,548.20	77,675.10	13,403.30	36,246.01	96,201.50	1,15,992.60	16,851.49	31,492.80	87,494.30	9,263.80
EBIT[(1)]	Rs Million	2,712.46	23,693.00	5,651.70	11,184.90	21,806.00	15,151.10	4308.11	5912.88	17032.87	1,117.68
EBIT margin[(2)]	%	7.33%	29.21%	40.76%	28.94%	22.56%	12.82%	25.40%	18.72%	19.19%	11.95%
EBITDA[(3)]	Rs Million	3,840.55	27,124.80	6,129.02	12,652.26	28,871.90	18,255.30	5,478.99	7,056.94	20,292.06	1,228.45
EBITDA margin[(4)]	%	10.38%	33.44%	44.20%	32.73%	29.87%	15.45%	32.30%	22.34%	22.86%	13.13%
Profit for the period /year	Rs Million	978.17	18,233.80	4,112.95	7,810.49	12,452.30	10,068.10	3,741.60	4,100.08	13,096.80	679.54
PAT margin[(5)]	%	2.64%	22.48%	29.66%	20.21%	12.88%	8.52%	22.06%	12.98%	14.75%	7.26%
Fixed Asset turnover[(6)] ratio	Times	3.41	1.58	1.65	2.07	1.16	4.75	0.76	1.69	1.90	5.37
Debt-equity ratio[(7)]	Times	0.75	0.00	0.04	0.00	0.85	0.14	0.38	0.22	0.02	0.85
Return on equity[(8)]	%	13.52%	14.28%	23.70%	9.81%	20.09%	10.67%	16.85%	16.53%	17.18%	24.58%
Return on Capital Employed[(9)]	%	24.60%	27.70%	32.55%	26.68%	20.01%	19.26%	14.40%	20.14%	23.51%	22.68%
Segment results before depreciation											
- CDMO	Rs Million	3,922.87	NA	NA	NA	NA	NA	NA	NA	NA	NA
- API	Rs Million	(1,034.45)	NA	NA	NA	NA	NA	NA	NA	NA	NA
- Branded & generic formulations	Rs Million	451.05	NA	NA	NA	NA	NA	NA	NA	NA	NA
Segment results before depreciation margin[(10)]											
- CDMO	%	14.41%	NA	NA	NA	NA	NA	NA	NA	NA	NA
- API	%	-58.36%	NA	NA	NA	NA	NA	NA	NA	NA	NA
- Branded & generic formulations	%	5.98%	NA	NA	NA	NA	NA	NA	NA	NA	NA
Adjusted EBIT[(11)]	(₹ in million)	2,272.77	NA	NA	NA	NA	NA	NA	NA	NA	NA
Adjusted EBIT		6.14%	NA	NA	NA	NA	NA	NA	NA	NA	NA

As at and for Fiscal 2023											
Parameter	**Units**	**Akums Drugs and Pharmaceuticals**	**Divi's Laboratories**	**Suven Pharma**	**Gland Pharma**	**Torrent Pharma**	**Alkem Laboratories**	**Eris Lifesciences**	**JB Chemicals**	**Mankind Pharma**	**Innova Captab**
margin(12)	%										
Adjusted EBITDA(13)	(₹ in million)	3,400.86	NA	NA	NA	NA	NA	NA	NA	NA	NA
Adjusted EBITDA margin(14)	%	9.19%	NA	NA	NA	NA	NA	NA	NA	NA	NA
Adjusted Return on equity(15)	%	3.11%	NA	NA	NA	NA	NA	NA	NA	NA	NA
Adjusted Return on Capital employed(16)	%	10.77%	NA	NA	NA	NA	NA	NA	NA	NA	NA

Notes:

**All values above are considered on a consolidated basis (Source: F&S Report)*

1. *EBIT refers to earnings before interest and tax, calculated as the sum of restated profit/(loss) before share of profit/(loss) of associates and exceptional items for the period / year, and finance costs.*
2. *EBIT margin is calculated as EBIT divided by total income.*
3. *EBITDA refers to sum of EBIT and depreciation and amortization expense.*
4. *EBITDA margin is calculated as EBITDA divided by total income.*
5. *Profit after tax margin is calculated as the percentage of restated profit after tax for the period/ year divided by total income.*
6. *Fixed asset turnover ratio is calculated as revenue from operations divided by fixed assets at the end of the period/ year. Fixed assets includes Property, plant and equipment, Capital work-in-progress, Other intangible assets and Intangible assets under development.*
7. *Debt-equity ratio is calculated by dividing total debt (including both current and non-current borrowings) by equity attributable to equity holders of the pare.*
8. *Return on equity is calculated by dividing restated profit for the period/ year by total equity.*
9. *Return on Capital Employed is calculated as EBIT divided by capital employed (i.e. sum of total equity and net debt). Net debt is calculated as total debt (including both current and non-current borrowings) less cash and cash equivalent, bank balance other than cash and cash equivalents and fixed deposits with remaining maturity of more than 12 months.*
10. *Segment results before depreciation margin is calculated as segment results before depreciation from each segment divided by revenue from operations from that segment.*
11. *Adjusted EBIT is calculated as the sum of our restated profit/(loss) before share of profit/(loss) of associates and exceptional items for the year/period, finance costs and fair value changes to financial instruments.*
12. *Adjusted EBIT margin is calculated as Adjusted EBIT divided by total income.*
13. *Adjusted EBITDA is calculated as the sum of restated profit for the year/period, tax expenses, finance costs, depreciation and amortization expense, fair value changes to financial instruments, share of profit/ (loss) of associates and exceptional items.*
14. *Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by total income.*
15. *Adjusted return on equity is calculated by dividing the sum of profit after tax for the year/period and fair value changes to financial instrument by the sum of total equity and put option liability.*
16. *Adjusted return on capital employed is calculated as Adjusted EBIT divided by capital employed (i.e. sum of total equity, net debt and put option liability). Net debt is calculated as total debt (including both current and non-current borrowings) less cash and cash equivalent, bank balances other than cash and cash equivalents and fixed deposits with remaining maturity of more than 12 months.*

Weighted average cost of acquisition

A. Price per share of the Company (as adjusted for corporate actions, including split, bonus issuances) based on primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under the ESOP schemes and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Bank in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Issuances")

Nil

B. Price per share of the Company (as adjusted for corporate actions, including bonus issuances) based on secondary sale or acquisition of equity shares or convertible securities (excluding gifts) involving any of the Promoters, members of the Promoter Group, Selling Shareholders or other Shareholder(s) with rights to nominate directors during the 18 months preceding the date of filing of the DRHP/ RHP, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Bank (calculated based on the pre-Offer capital before such transaction/s and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Secondary Transactions")

Nil

The following are the details basis the last five primary or secondary transactions (secondary transactions where Promoters or members of the Promoter Group or Selling Shareholders or Shareholder(s) having the right to nominate Director(s) on our Board, are a party to the transaction), not older than three years prior to the date of this Draft Red Herring Prospectus irrespective of the size of transactions, based on certifications received from our Promoters, members of our Promoter Group, Selling Shareholders and Shareholders having the right to nominate Director(s) on our Board:

Date of allotment	Number of equity shares transacted	Face value of equity shares (₹)	Offer price per Equity share	Nature of allotment	Nature of consideration	Total consideration (₹)
NA	Nil	Nil	Nil	NA	NA	Nil

8. Weighted average cost of acquisition, floor price and cap price

Type of transactions	WACA (in ₹)	Floor Price (₹ [●])*	Cap Price (₹ [●])*
Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity/ convertible securities), excluding shares issued under ESOP 2022 and issuance of bonus shares, during the 18 months preceding the date of this certificate, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	NA	[●]	[●]
Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity/convertible securities), where our Promoters or Promoter Group entities or Selling Shareholders or shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	NA	[●]	[●]

* *To be updated at Prospectus stage.*

Note: ^ There were no secondary sales / acquisition of shares (equity/ convertible securities) transactions in last 18 months prior to the date of this Draft Red Herring Prospectus.

9. Detailed explanation for Cap Price being [●] price of weighted average cost of acquisition of primary issuance price/secondary transaction price of Equity Shares (set out in point 8 above) along with our Company's key financial and operational metrics and financial ratios for the six months period ended September 30, 2023,

Fiscals 2023, 2022 and 2021 and in view of the external factors which may have influenced the pricing of the Offer.

[●]*

Note: This will be included on finalisation of Price Band

The Offer Price of ₹ [●] has been determined by our Company, in consultation with the BRLMs, on the basis of the demand from investors for the Equity Shares through the Book Building Process. Our Company, in consultation with the BRLMs, are justified of the Offer Price in view of the above qualitative and quantitative parameters. Investors should read the above-mentioned information along with "*Risk Factors*", "*Our Business*", "*Management Discussion and Analysis of Financial Condition and Revenue from Operations*" and "*Financial Information*" beginning on pages 27, 171, 333 and 244, respectively, to have a more informed view.

The trading price of the Equity Shares could decline due to the factors mentioned in the section titled "*Risk Factors*" beginning on page 27 and any other factors that may arise in the future and you may lose all or part of your investments.

10. The Offer Price is [●] times of the face value of the Equity Shares.

STATEMENT OF SPECIAL TAX BENEFITS

To
The Board of Directors
Akums Drugs and Pharmaceuticals Limited
Plot No 131 to 133
Block-C, Mangolpuri Ind. Area Phase I
Delhi – 110083, India

Statement of Possible Special Direct Tax Benefits available to Akums Drugs and Pharmaceuticals Limited (the "Company), its shareholders and material subsidiaries under the applicable Income tax laws in India with respect to proposed initial public offering for issue of equity shares of the face value of ₹ 2/- each ("the "Equity Shares") of Akums Drugs and Pharmaceuticals Limited, (the "Company"/ "Issuer") through a fresh issue and offer for sale of equity shares by certain existing shareholders (the "Offer")

1. This report is issued in accordance with the terms of our engagement letter dated 11 December 2023.

2. The accompanying Statement of Possible Special Direct Tax Benefits available to the Company, its Shareholders and its material subsidiaries identified in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and listed down in Annexure I (hereinafter referred to as "the Statement") under the Income-tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2023 (collectively hereinafter referred to as the "Income Tax Laws"), has been prepared by the management of the Company in connection with the proposed Offer, which we have initialed for identification purposes.

Management's Responsibility

3. The preparation of this Statement as of the date of our report which is to be included in the Draft Red Herring Prospectus ("DRHP") is the responsibility of the management of the Company and has been approved by the Executive Committee of the Board of Directors of the Company at its meeting held on 7th February 2024 for the purpose set out in paragraph 9 below. The management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditor's Responsibility

4. Our work has been carried out in accordance with Standards on Auditing, the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India (the "ICAI"). The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI.

5. Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (the "SEBI ICDR Regulations") and the Companies Act 2013 (the "Act"), it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special direct tax benefits available as of 7th February 2024 to the Company, the shareholders and the material subsidiaries (as listed hereunder) of the Company, in accordance with the Income Tax Laws as at the date of our report:

List of material subsidiaries considered in this report:

(I) Pure and Cure Healthcare Private Limited

(II) Malik Lifesciences Private Limited

(III) Maxcure Nutravedics Limited

(IV) Akumentis Healthcare Limited

6. We have complied with the relevant applicable requirements of the Standard on Quality Control 1 ("SQC 1"), Quality Control for Firms that Performs Audits and Reviews of Historical Financial information and Other Assurance and Related Services Engagements.

7. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI ICDR Regulations in connection with the Offering.

Inherent Limitations

8. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information.

Several of the benefits mentioned in the accompanying statement are dependent on the Company or its shareholders or its material subsidiaries fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Company or its shareholders or its material subsidiaries to derive the tax benefits is dependent upon fulfilling such conditions, which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil. The benefits discussed in the accompanying statement are not exhaustive.

The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer, particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on the Statement.

Further, we give no assurance that the revenue authorities / courts will concur with our 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. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.

Opinion

9. In our opinion, the Statement prepared by the Company presents, in all material respects, the possible special direct tax benefits available as of 7th February 2024, to the Company and its shareholders and its material subsidiaries, in accordance with the Income Tax Laws as at the date of our report.

Considering the matter referred to in paragraph 8 above, we are unable to express any opinion or provide any assurance as to whether:

(i) The Company or its shareholders or its material subsidiaries will continue to obtain the benefits per the Statement in future; or
(ii) The conditions prescribed for availing the benefits per the Statement have been/ would be met with.

Restriction on Use

10. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the DRHP, prepared in connection with the Offering to be filed by the Company with the Securities and Exchange Board of India and the stock exchanges where the equity shares of the Company are proposed to be listed. It is not to be used, referred to or distributed for any other purpose without our prior written consent.

Yours faithfully,

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Sujay Paul
Partner
Membership No.: 096314

UDIN: 24096314BKETXJ2393

Place: New Delhi
Date: 7th February 2024

ANNEXURE I

LIST OF MATERIAL SUBSIDIARIES CONSIDERED AS PART OF THE STATEMENT

1. Pure and Cure Healthcare Private Limited

2. Malik Lifesciences Private Limited

3. Maxcure Nutravedics Limited

4. Akumentis Healthcare Limited

(Collectively referred to as "material subsidiaries")

Notes:

- Material subsidiaries identified in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, includes a subsidiary whose income or net worth in the immediately preceding year (i.e. 31 March 2023) exceeds 10% of the consolidated income or consolidated net worth respectively, of the holding company and its subsidiaries in the immediately preceding year.

(*This space has been intentionally left blank*)

STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO AKUMS DRUGS AND PHARMACEUTICALS LIMITED, ITS MATERIAL SUBSIDIARIES AND ITS SHAREHOLDERS UNDER THE APPLICABLE INCOME TAX LAWS IN INDIA

Outlined below are certain possible special direct tax benefits available to the Company, its material subsidiaries (as listed in Annexure I above) and its shareholders under the Income-tax Act, 1961 (hereinafter referred to as "the IT Act"), read with Income Tax Rules, circulars, notifications, as amended by the Finance Act, 2023 (collectively hereinafter referred to as the "Income Tax Laws"). These possible special direct tax benefits are dependent on the Company, its material subsidiaries and its shareholders fulfilling the conditions prescribed under the IT Act and the relevant Income Tax Laws of India.

A. Possible special direct tax benefits available to the Company under the Income Tax Laws in India

1. <u>Beneficial corporate tax rate - Section 115BAA of the IT Act</u>

Section 115BAA of the IT Act, introduced vide The Taxation Laws (Amendment) Act, 2019, lays down certain conditions on fulfillment of which domestic companies are entitled to avail a beneficial tax rate of 22% (plus applicable surcharge and cess). The option to apply this tax rate is made available from Financial Year ('FY') 2019-20 relevant to Assessment Year ('AY') 2020-21 and the option once exercised shall apply to subsequent AYs. The beneficial tax regime is subject to a company not availing any of the following deductions / exemptions under the provisions of the IT Act:

- Section10AA: Tax holiday available to units in a Special Economic Zone.
- Section 32(1)(iia): Additional depreciation;
- Section 32AD: Investment allowance.
- Section 33AB / 33ABA: Tea coffee rubber development expenses / site restoration expenses
- Section 35(1)(ii) or 35(1)(iia) or 35(1)(iii) / 35(2AA) / 35(2AB): Expenditure on scientific research.
- Section 35AD: Capital expenditure incurred on specified businesses.
- Section 35CCC / 35CCD: Expenditure on agricultural extension / skill development.
- Chapter VI-A other than the provisions of section 80JJAA and section 80M.

The total income of a company availing the beneficial tax rate of 25.168% (i.e., 22% tax plus 10% surcharge and 4% health & education cess) is required to be computed without set-off of any carried forward loss and depreciation attributable to any of the aforesaid deductions/incentives. A company can exercise the option to apply for the beneficial tax regime in its return of income filed under section 139(1) of the IT Act. Further, provisions of Minimum Alternate Tax ('MAT') under section 115JB of the IT Act shall not be applicable to companies availing this beneficial tax regime.

The provisions do not specify any limitation / condition on account of turnover, nature of business or date of incorporation for opting for the beneficial tax regime. Accordingly, all existing as well as new domestic companies are eligible to avail this beneficial tax regime.

Note: The Company has opted for beneficial tax regime under section 115BAA of the IT Act starting FY 2020-21 and onwards, and therefore, is eligible for a concessional effective tax rate of 25.168% (including applicable surcharge and health and education cess) subject to fulfilment of above conditions.

2. <u>Deduction in respect of inter-corporate dividends – Section 80M of the IT Act</u>

As per the provisions of section 80M of the IT Act, inserted with effect from 01 April 2021, a domestic company, shall be allowed to claim a deduction of dividend income earned from any other domestic company or a foreign company or a business trust. However, such deduction shall be restricted to the amount of dividend distributed by it to its shareholders on or before the due date i.e., one month prior to the date of furnishing the return of income under sub-section (1) of section 139 of the IT Act.

3. <u>Deductions in respect of employment of new employees – Section 80JJAA of the IT Act</u>

As per section 80JJAA of the IT Act, where a company is subject to tax audit under section 44AB of the IT Act and derives income from business, it shall be allowed to claim a deduction of an amount equal to 30% of additional employee cost incurred in the course of such business in a previous year, for 3 consecutive assessment years including the assessment year relevant to the previous year in which such additional employment cost is incurred.

The eligibility to claim the deduction is subject to fulfilment of prescribed conditions specified in sub-section (2) of section 80JJAA of the IT Act.

4. <u>Deduction of scientific expenditure incurred in respect of own business - Section 35(1)(i) read with clause (iv) of sub-section (1) and sub-section (2) of the IT Act</u>

As per section 35(1)(i) read with clause (iv) of sub-section (1) and sub-section (2) of the IT Act, a company can claim deduction in respect of any revenue and capital expenditure laid out or expended on scientific research related to its business, subject to the fulfilment of prescribed eligibility conditions therein.

B. Possible special direct tax benefits available to the material subsidiaries under the Income Tax Laws in India

1. All material subsidiaries of the Company, except Malik Lifesciences Private Limited ("MLPL"), have also opted for the lower tax regime as per section 115BAA of the IT Act. Consequently, akin to the benefits available to the Company as discussed in section A above, similar possible special direct tax benefits are also available to the said material subsidiaries subject to fulfilment of the prescribed conditions laid therein.

2. MLPL is engaged in the manufacturing of Pharmaceutical Products and has not yet opted the concessional tax rate under section 115BAA of the IT Act, however, it may opt for the beneficial tax regime of section 115BAA in the subsequent years based on evaluation of eligibility conditions.

Till MLPL does not opt for concessional tax regime, the following benefits in addition to deductions as mentioned above in A.2., A.3., and A.4., may be available subject to the fulfilment of the prescribed conditions as per the provisions of IT Act –

- <u>Deduction for Additional Depreciation – Section 32(1)(iia) of the IT Act</u>

As per the section 32(1)(iia) of the IT Act, an assessee engaged in the business of manufacture or production of any article or thing is allowed an additional depreciation at the rate of 20% on the actual cost of plant or machinery acquired and installed after the 31st March 2005, subject to the prescribed conditions laid under the said section.

- <u>Deduction for any sum paid to approved institutions in respect of Scientific research or Social / Statistical research – Section 35 of the IT Act</u>

As per section 35(ii), 35(iia), 35(iii) and 35(2AA) of the IT Act, a company can claim the deduction in respect of any sum paid for scientific research or social science and statistical research, as the case may be, to any approved - Research Association, Institute, College, University, Indian Company engaged in scientific research and development, National Laboratory, Indian Institute of Technology and other specified institutions, subject to fulfilment of prescribed conditions laid under section 35 of the IT Act.

- <u>Deduction of expenditure in connection with extension of an undertaking - Section 35D of the IT Act</u>

As per section 35D of the IT Act, a company is eligible to claim deduction of expenditure, being underwriting commission, brokerage, and charges for drafting, typing, printing and advertisement of the prospectus incurred in connection with expansion of its undertaking upon fulfilment of conditions as laid down under the IT Act. The deduction under section 35D of the IT Act is allowable for an amount equal to one fifth of such expenditure for each of five successive previous years beginning with the previous year in which the extension of the undertaking is completed.

- <u>Deduction with respect to donations / contributions to specified funds / institutions - Section 80G of the IT Act</u>

A company is entitled to claim deduction, under the provisions of section 80G of the IT Act towards donation / contribution made to specified funds / institutions subject the fulfilment of conditions laid down therein. The deduction under section 80G shall be available for an amount equal to 100% or 50% (subject to permissible limit) of the amount of donations made by the Company in the relevant previous year.

- <u>Setoff of MAT Credit – Section 115JAA of the IT Act</u>

As per the provisions of section 115JAA of the IT Act, a company can claim credit of taxes paid under MAT provision. Taxes paid under MAT provisions are eligible for carry forward for a period of fifteen assessment years immediately succeeding the assessment year in which such credit has become allowable. The credit is available for set off only when tax becomes payable under the normal provisions of the IT Act. The tax credit can be utilized to the extent of difference between the tax payable under the normal provisions of the IT Act and tax payable under MAT for that year.

C. Possible special direct tax benefits available to the shareholders under the Income Tax Laws in India

1. Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of a domestic corporate shareholder, benefit of deduction under section 80M of the IT Act would be available on fulfilling the conditions (as discussed in A.2. above).

2. As per section 115A of the IT Act, dividend income earned by a non-resident (not being a company) or by a foreign company, shall be taxed at the rate of 20% subject to fulfilment of prescribed conditions under the IT Act.

3. As per section 111A of the IT Act, short-term capital gains arising from transfer of equity shares on which securities transaction tax (STT) is paid at the time of acquisition and sale, shall be taxed at the rate of 15%. This is subject to fulfilment of prescribed conditions under the IT Act.

4. As per section 112A of the IT Act, long-term capital gains arising from transfer of equity shares on which STT is paid at the time of acquisition and sale, shall be taxed at the rate of 10% (without indexation). This is subject to fulfilment of prescribed additional conditions as per Notification No. 60/2018/F. No.370142/9/2017-TPL dated 01 October 2018. It is worthwhile to note that tax shall be levied where such aggregate capital gains exceed INR 1,00,000 in a year.

5. Where the shareholders are Individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, and every artificial juridical person, surcharge would be restricted to 15% in respect of dividend income, long-term capital gain and short-term capital gain under section 111A.

6. As per section 90(2) of the IT Act, non-resident shareholders will be eligible to take advantage of the beneficial provisions under the respective Double Taxation Avoidance Agreement ("DTAA"), if any, applicable to such non-residents. This is subject to fulfilment of conditions prescribed to avail treaty benefits.

Further, any income by way of capital gains, dividends accruing to non-residents may be subject to withholding tax per the provisions of the IT Act or under the relevant DTAA, whichever is more beneficial to such non-resident. However, where such non-resident has obtained a lower withholding tax certificate from the tax authorities, the withholding tax rate would be as per the said certificate. The non-resident shareholders can also avail credit of any taxes paid by them, subject to local laws of the country in which such shareholder is resident.

Notes:

1. These possible special direct tax benefits are dependent on the Company or its material subsidiaries or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Income Tax Laws. Hence, the ability of the Company or its material subsidiaries or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its material subsidiaries or its shareholders may or may not choose to fulfil.

2. The possible special direct tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

3. The Statement has been prepared on the basis that the shares of the Company are listed on a recognized stock exchange in India and the Company will be issuing shares.

4. The Statement is prepared based on information available with the Management of the Company and there is no assurance that:

i. the Company or its material subsidiaries or its shareholders will continue to obtain these benefits in future;
ii. the conditions prescribed for availing the benefits have been / would be met with; and
iii. the revenue authorities / courts will concur with the view expressed herein.

5. The above views are based on the existing provisions of law and its interpretation, which are subject to change from time to time.

6. The Statement sets out the provisions of law in a summarized manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership, and disposal of shares.

For and on behalf of Akums Drugs and Pharmaceuticals Limited

Sumeet Sood
Chief Financial Officer

Date: 7 February 2024
Place: New Delhi

Statement of Possible Special Indirect Tax Benefits

To
The Board of Directors,
Akums Drugs and Pharmaceuticals Limited
Plot No 131 to 133
Block-C, Mangolpuri Ind. Area Phase I
Delhi – 110083, India

Statement of Possible Special Indirect Tax Benefits available to Akums Drugs and Pharmaceuticals Limited (the "Company), its shareholders and material subsidiaries under the applicable indirect tax laws in India with respect to proposed initial public offering for issue of equity shares of the face value of ₹ 2/- each ("the "Equity Shares") of Akums Drugs and Pharmaceuticals Limited, (the "Company"/ "Issuer") through a fresh issue and offer for sale of equity shares by certain existing shareholders (the "Offer")

1. This report is issued in accordance with the terms of our engagement letter dated 1 December 2023.

2. The accompanying Statement of Possible Special Indirect Tax Benefits available to the Company, its Shareholders and its material subsidiaries identified in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and listed down in Annexure I (hereinafter referred to as "the Statement"), under the Central Goods and Services Tax Act, 2017 (read with Central Goods and Services Tax Rules, circulars, notifications and schemes), respective State Goods and Services Tax Act, 2017 (read with respective State Goods and Services Tax Rules, circulars, notifications and schemes), Integrated Goods and Services Tax Act, 2017 (read with Integrated Goods and Services Tax Rules, circulars, notifications and schemes), The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20), Customs Act, 1962 (read with Custom Rules, circulars, notifications and schemes), Customs Tariff Act, 1975 (read with Custom Tariff Rules, circulars, notifications), (together referred to as "Indirect Tax Regulations") has been prepared by the management of the Company in connection with the proposed offer, which we have initialed for identification purposes.

Management's Responsibility

3. The preparation of this Statement as of the date of our report which is to be included in the Draft Red Herring Prospectus ('**DRHP'**) is the responsibility of the Management of the Company and has been approved by the Board of Directors of the Company at its meeting held 7th February 2024. The Management's responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditor's Responsibility

4. Our work has been carried out in accordance with Standards on Auditing, the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India (the "ICAI"). The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI.

5. Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (the "SEBI ICDR Regulations") and the Companies Act 2013 ('Act'), it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special tax benefits available as of 7th February 2024 to the Company, the shareholders and material subsidiaries of the Company, in accordance with Indirect Tax Regulations as at the date of our report.

List of material subsidiaries considered in this report:

(I) Pure and Cure Healthcare Private Limited

(II) Malik Lifesciences Private Limited

(III) Maxcure Nutravedics Limited

(IV) Akumentis Healthcare Limited

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Performs Audits and Reviews of Historical Financial information and Other Assurance and Related Services Engagements issued by the ICAI.

7. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI ICDR Regulations in connection with the proposed Offer.

Inherent Limitations

8. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information.

Several of the benefits mentioned in the accompanying statement are dependent on the Company or its shareholders or its material subsidiaries fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Company or its material subsidiaries or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil. The benefits discussed in the accompanying Statement are not exhaustive.

The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer, particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on the Statement

Further, we give no assurance that the revenue authorities/courts will concur with our 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. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.

Opinion

9. In our opinion, the Statement prepared by the Company presents, in all material respects, the possible indirect special tax benefits available as of DD MM YYYY to the Company, its shareholders and its material subsidiaries, in accordance with the Indirect Tax Regulations as at the date of our report.

Considering the matter referred to in paragraph 8 above, we are unable to express any opinion or provide any assurance as to whether:

(i) The Company or its shareholders or material subsidiaries will continue to obtain the benefits per the Statement in future; or

(ii) The conditions prescribed for availing the benefits per the Statement have been/ would be met with.

Restriction on Use

10. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the DRHP, prepared in connection with the Offer to be filed by the Company with the Securities and Exchange Board of India and the stock exchanges where the equity shares of the Company are proposed to be listed. It is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **Walker Chandiok & Co LLP**

Chartered Accountants

(Firm Registration No. 001076N/N500013)

Sujay Paul

Partner

Membership No.: 096314

UDIN: 24096314BKETXK5818

Place: New Delhi

Date: 7th February 2024

ANNEXURE I

LIST OF MATERIAL SUBSIDIARIES CONSIDERED AS PART OF THE STATEMENT

1. Pure and Cure Healthcare Private Limited
2. Malik Lifesciences Private Limited
3. Maxcure Nutravedics Limited
4. Akumentis Healthcare Limited

(Collectively referred to as “material subsidiaries”)

Notes:

- Material subsidiaries identified in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, includes a subsidiary whose income or net worth in the immediately preceding year (i.e., 31 March 2023) exceeds 10% of the consolidated income or consolidated net worth respectively, of the holding company and its subsidiaries in the immediately preceding year.

(*This space has been intentionally left blank*)

STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO AKUMS DRUGS AND PHARMACEUTICALS LIMITED, ITS MATERIAL SUBSIDIARIES AND ITS SHAREHOLDERS

A. Special tax benefits available to Akums Drugs and Pharmaceuticals Limited under the Indirect Tax Regulations in India

1. **Benefits under The Foreign Trade (Development and Regulation) Act, 1992 (read with relevant Foreign Trade Policy)**

i. **Advance Authorization**

Advance Authorisation is a scheme under FTP that allows the duty-free import of inputs, which are physically incorporated in an export product. In addition to any inputs, packaging material, fuel, oil, and catalyst which is consumed/utilized in the process of production of export product, is also allowed to be imported duty-free. The quantity of inputs allowed for a given product is based on specific norms defined for that export product. The Directorate General of Foreign Trade (DGFT) provides a sector-wise list of Standard Input -Output Norms (SION) under which the exporters may choose to apply. Alternatively, exporters may apply for their own ad-hoc norms in cases where the SION does not suit the exporter.

The inputs imported are exempt from duties like Basic Customs Duty, Additional Customs Duty, Education Cess, Anti-dumping duty, Safeguard Duty and Transition Product -Specific Safeguard duty, Integrated tax, and Compensation Cess, wherever applicable, subject to certain conditions.

2. **Benefits under the Central Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 (read with relevant Rules prescribed thereunder)**

Under the GST regime, all supplies of goods and services that qualify as exports of goods or services are zero-rated supplies.

There are two mechanisms for claiming a refund of accumulated ITC against export. Either person can export under Bond/ Letter of Undertaking (LUT) as zero-rated supply and claim refund of accumulated Input Tax Credit or a person may export on payment of integrated Goods and Services Tax and claim refund thereof as per the provisions of Section 54 of Central Goods and Services Tax Act, 2017.

Thus, the GST law allows the flexibility to the exporter (which will include the supplier making supplies to SEZ) to claim a refund upfront as integrated tax (by making supplies on payment of tax using ITC) or export without payment of tax by executing a Bond/LUT and claim refund of related ITC of taxes paid on inputs and input services used in making zero rated supplies.

B. Possible special benefits for shareholders of Akums Drugs and Pharmaceuticals Limited

Shareholders of the Company are not eligible to special tax benefits under the provisions of the the Central Goods and Services Act, 2017 (read with Central Goods and Services Tax Rules, circulars, notifications), respective State Goods and Services Tax Act, 2017 (read with respective State Goods and Services Tax Rules, circulars, notifications), Integrated Goods and Services Tax Act, 2017 (read with Integrated Goods and Services Tax Rules, circulars, notifications), The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign

Trade Policy 2015-20), Customs Act, 1962 (read with Custom Rules, circulars, notifications), Customs Tariff Act, 1975 (read with Custom Tariff Rules, circulars, notifications).

C. Possible special tax benefits for Akumentis Healthcare Limited, India (material subsidiary of Akums Drugs and Pharmaceuticals Limited))

There are no special indirect tax benefits available to the Company under Indirect Tax Laws

D. Possible special tax benefits for Malik Lifesciences Private Limited, India (material subsidiary of Akums Drugs and Pharmaceuticals Limited))

There are no special indirect tax benefits available to the Company under Indirect Tax Laws

E. Possible special tax benefits for Maxcure Nutravedics Limited, India (material subsidiary of Akums Drugs and Pharmaceuticals Limited))

1. Benefits under The Foreign Trade (Development and Regulation) Act, 1992 (read with relevant Foreign Trade Policy)

i. **Advance Authorization**

Advance Authorisation is a scheme under FTP that allows the duty-free import of inputs, which are physically incorporated in an export product. In addition to any inputs, packaging material, fuel, oil, and catalyst which is consumed/utilized in the process of production of export product, is also allowed to be imported duty-free. The quantity of inputs allowed for a given product is based on specific norms defined for that export product. The Directorate General of Foreign Trade (DGFT) provides a sector-wise list of Standard Input -Output Norms (SION) under which the exporters may choose to apply. Alternatively, exporters may apply for their own ad-hoc norms in cases where the SION does not suit the exporter.

The inputs imported are exempt from duties like Basic Customs Duty, Additional Customs Duty, Education Cess, Anti-dumping duty, Safeguard Duty and Transition Product -Specific Safeguard duty, Integrated tax, and Compensation Cess, wherever applicable, subject to certain conditions.

2. **Benefits under the Central Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 (read with relevant Rules prescribed thereunder)**

Under the GST regime, all supplies of goods and services that qualify as exports of goods or services are zero-rated supplies.

There are two mechanisms for claiming a refund of accumulated ITC against export. Either person can export under Bond/ Letter of Undertaking (LUT) as zero-rated supply and claim refund of accumulated Input Tax Credit or a person may export on payment of integrated Goods and Services Tax and claim refund thereof as per the provisions of Section 54 of Central Goods and Services Tax Act, 2017.

Thus, the GST law allows the flexibility to the exporter (which will include the supplier making supplies to SEZ) to claim a refund upfront as integrated tax (by making supplies on payment of tax using ITC) or export without payment of tax by executing a Bond/LUT and claim refund of related ITC of taxes paid on inputs and input services used in making zero rated supplies

F. **Possible special tax benefits for Pure and Cure Healthcare Private Limited, India (material subsidiary of Akums Drugs and Pharmaceuticals Limited))**

1. **Benefits under the Central Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 (read with relevant Rules prescribed thereunder)**

Under the GST regime, all supplies of goods and services that qualify as exports of goods or services are zero-rated supplies.

There are two mechanisms for claiming a refund of accumulated ITC against export. Either person can export under Bond/ Letter of Undertaking (LUT) as zero-rated supply and claim refund of accumulated Input Tax Credit or a person may export on payment of integrated Goods and Services Tax and claim refund thereof as per the provisions of Section 54 of Central Goods and Services Tax Act, 2017.

Thus, the GST law allows the flexibility to the exporter (which will include the supplier making supplies to SEZ) to claim a refund upfront as integrated tax (by making supplies on payment of tax using ITC) or export without payment of tax by executing a Bond/LUT and claim refund of related ITC of taxes paid on inputs and input services used in making zero rated supplies.

Notes:

1. The special tax benefits are dependent on the Company or its material subsidiaries or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Indirect Tax Regulations. Hence, the ability of the Company or its material subsidiary or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its material subsidiaries or its shareholders may or may not choose to fulfil.

2. The special tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for a professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications.

3. The Statement has been prepared on the basis that the equity shares of the Company are listed on a recognized stock exchange in India and the Company will be issuing equity shares pursuant to the Letter of Offer.

4. The Statement is prepared on the basis of information available with the Management of the Company including the material subsidiaries and understanding of the specific activities carried out by the Company and there is no assurance that:

a. The Company or its material subsidiaries or its shareholders will continue to obtain these benefits in future;

b. The conditions prescribed for availing the benefits have been/ would be met with; and

c. The revenue authorities / courts will concur with the view expressed herein.

5. The above views are basis the provisions of law, their interpretation and applicability as on date, which may be subject to change from time to time.

6. The Statement sets out the provisions of law in a summarized manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership, and disposal of shares.

For and on behalf of the Board of Directors of

Akums Drugs and Pharmaceuticals Limited

Sumeet Sood

Chief Financial Officer

Place: New Delhi

Date: 7 February 2024

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

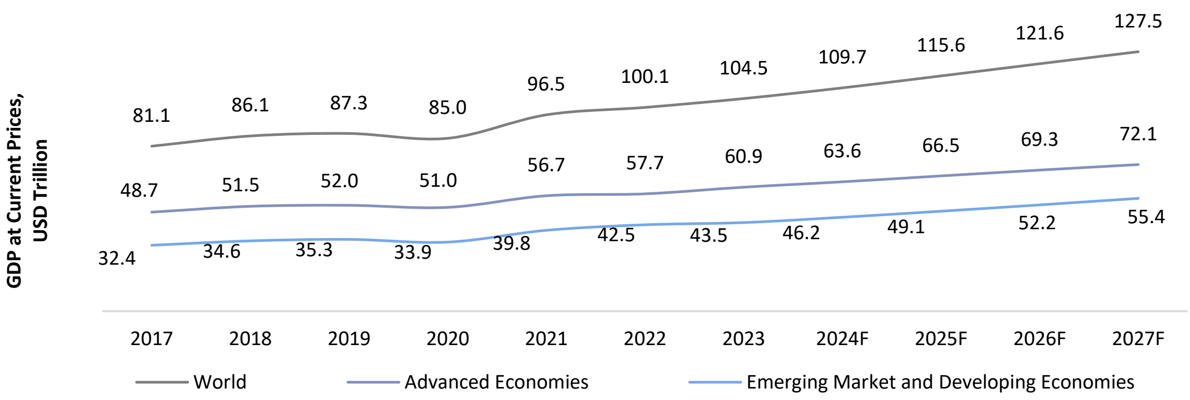
*The information in this section is from an industry report titled "Independent Market Research on the Overview of the Global and Indian Contract Development & Manufacturing Organization Industry" dated February 8, 2024 (the "**F&S Report**"), prepared and released by Frost & Sullivan (India) Private Limited ("**F&S**"). The F&S Report will be made available on the website of our Company at https://www.akums.in/investors/ from the date of the Red Herring Prospectus until the Bid/Offer Closing Date. We officially engaged F&S in connection with the preparation of the F&S Report on October 7, 2023, and exclusively paid and commissioned the F&S Report for the purpose of confirming our understanding of the industry we operate in, in connection with the Offer. There are no parts, data or information (which may be relevant for the Offer), that have been left out or changed in any manner. See "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" and "Risk Factors — Internal Risk Factors — This Draft Red Herring Prospectus contains information from third parties, including an industry report prepared by an independent third-party research agency, Frost & Sullivan (India) Private Limited, which we have commissioned and paid for, for the purpose of confirming our understanding of the industry we operate in, exclusively in connection with the Offer" on pages 16 and 53, respectively.*

MACROECONOMIC OVERVIEW

GLOBAL AND REGIONAL GDP OUTLOOK

Global GDP growth is demonstrating signs of recovery post-pandemic; short-term lackluster growth from geopolitical and financial issues will converge to higher long-term growth. Emerging economies will be the beacon of growth, outpacing GDP growth in advanced economies.

Exhibit 1.1: GDP at Current Prices, Global, 2017-2027F



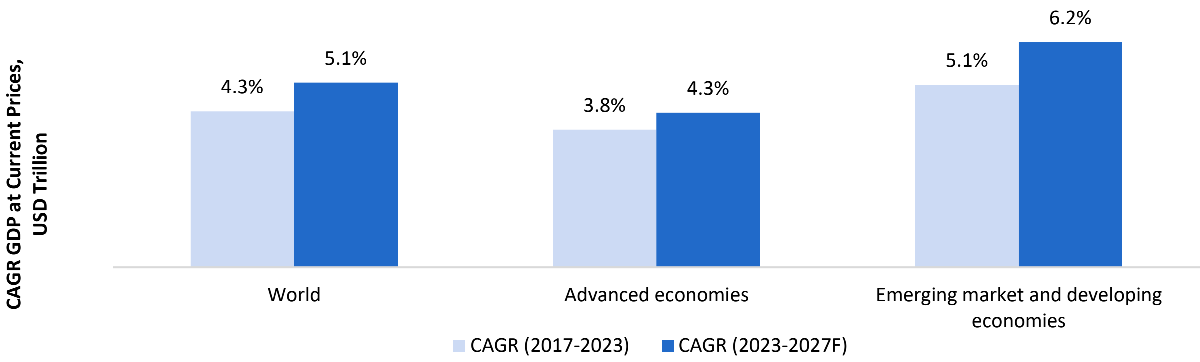
Source: World Economic Outlook-October 2023, Frost & Sullivan

The convergence of pandemic-induced shutdowns, exacerbated by supply chain complexities and the Russia-Ukraine conflict, has caused notable disruptions in energy and food markets, driving a surge in inflationary pressure and precipitating a cost-of-living crisis. In response to these challenges, numerous countries have implemented tighter monetary policies, yielding a pace of GDP growth that, while more measured, continues its trajectory.

Of significant note is the projection of a 5.1% global GDP growth rate between 2023 and 2027, exceeding the historical growth rate of 4.3% observed from 2017 to 2023. This anticipated upswing is underpinned by a substantial contribution from Emerging Markets and Developing Economies, which are set to experience a CAGR of 6.2% during the same period. This robust growth can be attributed to a multitude of factors, including an uptick in private consumption, increased corporate spending, favorable demographics, reinforced balance sheets, enhanced macroeconomic stability that reduces the imperative for policymakers to tighten monetary policies, and structural policy reforms.

Conversely, Advanced Economies are poised to register a comparatively more moderate CAGR of 4.3% for GDP growth. However, it represents an improvement from historical figures, driven by an optimistic employment outlook in the United States and improving consumption trends in Europe. This positive long-term economic outlook is expected to stimulate global investments and foster heightened demand across critical sectors, such as healthcare.

Exhibit 1.2: GDP CAGR at Current Prices, Global, 2017-2027F

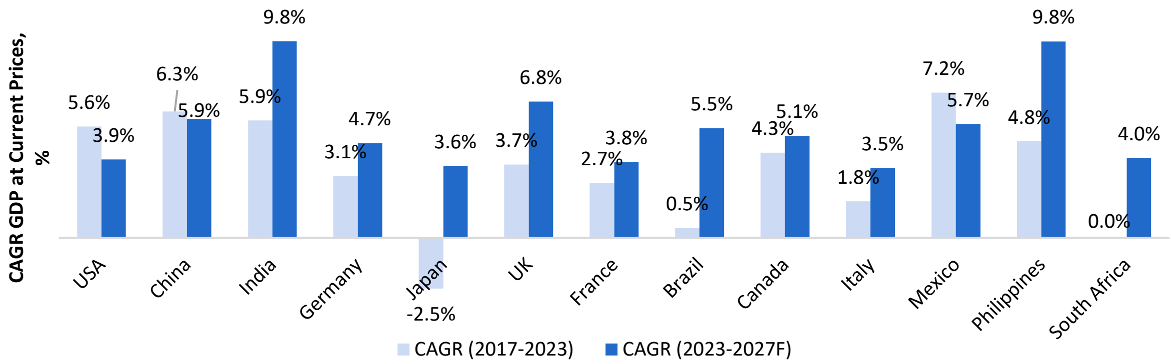


Source: World Economic Outlook-October 2023, Frost & Sullivan

(i) INDIA'S GDP OUTLOOK

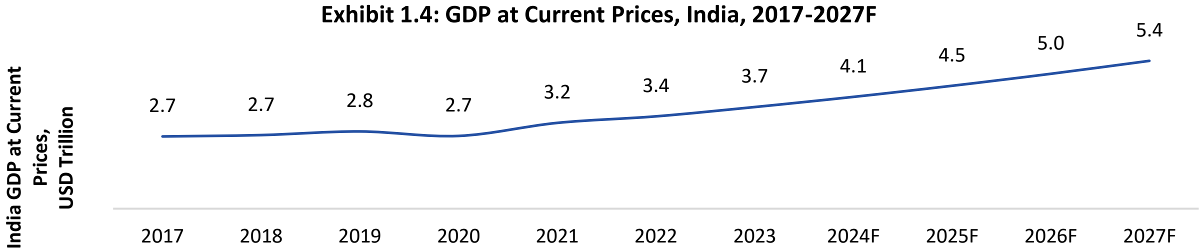
Emerging economies of Asia, particularly India, are expected to outshine other economies; India will emerge as the third-largest economy by 2027.

Exhibit 1.3: CAGR GDP at Current Prices, Select Countries, 2017-2027F



Source: World Economic Outlook-October 2023, Frost & Sullivan

Exhibit 1.4: GDP at Current Prices, India, 2017-2027F



Source: World Economic Outlook-October 2023, Frost & Sullivan

Aside from Sub-Saharan Africa and ASEAN 5, India and China are amongst the largest and fastest-growing economies. While historically (between 2017 and 2023), China and India have enjoyed growth rates of ~6%, India's forecasted GDP growth is nearly 1.5 times that of China's.

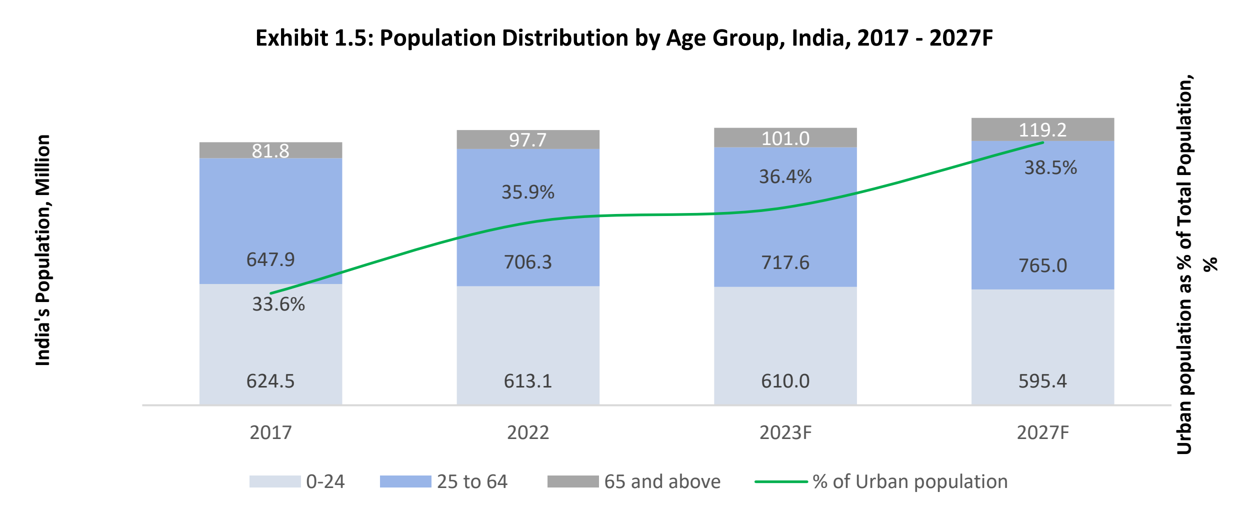
India's economic resilience during the pandemic, coupled with emerging geopolitical factors like "China plus one," has propelled India into the spotlight. Meanwhile, China grapples with challenges stemming from a weak property sector, geopolitical uncertainties, and declining export momentum, forecasting a growth rate of 5.9% from 2023 to 2027.

Consequently, India is poised to ascend as the world's third-largest economy by 2027, surpassing Japan and Germany, with a GDP exceeding USD 5 trillion. India aspires to attain developed economy status by 2047, underpinned by a robust growth projection of 9.8% between 2023 and 2027. This growth surge is driven by escalating domestic demand, substantial government and private global investments, strengthening global ties and relationships reforms hinged on Atmanirbhar Bharat, and a flourishing micro, small, and medium-sized enterprise (MSME) sector.

Economies like Brazil, Mexico, the Philippines, and South Africa are also on track for vigorous growth. Their strengths lie in a robust agriculture sector, increasing consumption patterns, a formidable presence in nickel mining, and a secure manganese supply, respectively. While several of these economies match India and China's growth pace, their smaller size and population render them less appealing for significant investments.

In contrast, the G7 nations, characterized by mature economies, concentrated markets, and aging populations, face limited growth opportunities. These economies are deeply impacted by global banking uncertainties, ongoing conflicts (Israel-Palestine and Russia-Ukraine), and tighter monetary policies, further underscoring the dynamic shift towards rapidly growing Emerging and Developing Asian economies.

India's relatively young population, with a median age of 28.4, offers a competitive advantage not only in terms of the workforce but also in the high demand and consumption power of a young population; the government's push for Atmanirbhar Bharat will continue to drive growth across multiple sectors.



Source: World Bank, Frost & Sullivan

1. INDIA'S GDP GROWTH DRIVERS

- **Demographic dividend:** India not only boasts the distinction of being the world's most populous nation but also possesses a uniquely expanding working-age demographic, standing in stark contrast to many other regions grappling with aging and diminishing working populations. As of 2022, a significant 49.8% of India's population fell within the working age bracket of 25 to 64 years, marking an increase from 47.8% in 2017, and this percentage is projected to rise even further to 51.7% by 2027[1]. India's youthful population offers a substantial competitive edge in terms of labor force availability. Furthermore, the country's sizable pool of graduates, particularly those with a background in Science, Technology, Engineering, and Mathematics (STEM), who are proficient in English, sets India apart from other nations. This distinction proves particularly advantageous in skill-intensive industries, such as pharmaceutical research and development (R&D) and manufacturing. Additionally, a rapidly urbanizing and working population with high income will stimulate demand for goods and services and further drive growth.
- **Commendatory government reforms for the manufacturing sector:** Manufacturing has historically contributed 16-17% of the country's GDP[2]. With prioritization of manufacturing across sectors including automotive, engineering, chemicals, pharmaceuticals, and consumer durables through the implementation of policies like Production-Linked Incentive (PLI) scheme, PM Gati Shakti- National Master Plan (NMP), Industrial development schemes in states with industrial backwardness, the manufacturing sector is expected to account for 25% of GDP by 2025. These reforms will simultaneously help improve India's Business Environment Rankings (BER) for infrastructure improvement from

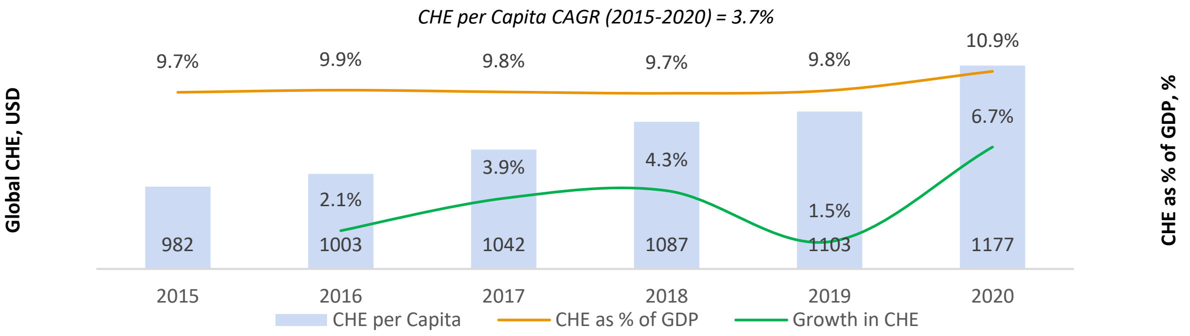
[1] Population Estimates and Projections: World Bank
[2] IBEF

the 14th position in the 2018-2022 period to the 10th position in the 2023-2027 period, taking India ahead of the Philippines, Indonesia, and Vietnam[3].

GLOBAL AND REGIONAL HEALTHCARE EXPENDITURE

Federal policies and healthcare reforms, improved economic conditions, and personal health wellness awareness are contributing to increased healthcare spending. Current health expenditure varies significantly across countries, with India lagging behind its Western counterparts.

Exhibit 1.6: Current Healthcare Expenditure (CHE), Global, 2015 - 2020



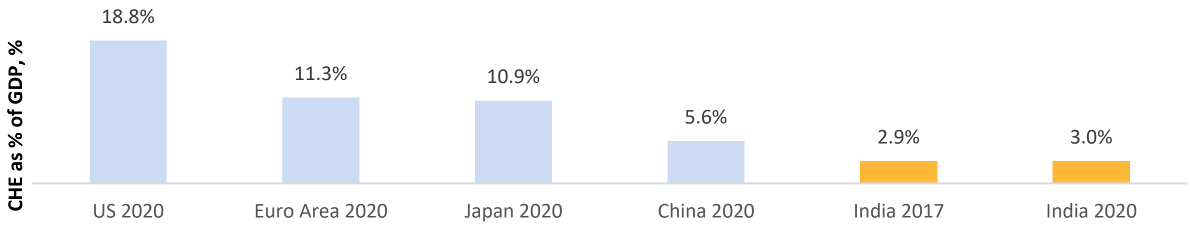
Source: World Bank, Frost & Sullivan

Current healthcare expenditure (CHE) as a percentage of GDP is on an upward trajectory due to growing economies, increased accessibility and affordability, advances in medical technology, growing prevalence of chronic diseases, aging population, post-pandemic behavioral changes, and heightened focus on wellness and self-medication. Between 2015 and 2020, CHE grew at a CAGR of 3.7%, reaching 10.9% of GDP in 2020, up from 9.7% in 2015.

(ii) INDIA HEALTHCARE EXPENDITURE AND GROWTH DRIVERS

Healthcare in India has been an underpenetrated segment historically. However, with rising levels of disposable income in comparison to peers and heightened post-pandemic awareness of superior health management, the focus on healthcare is growing, leading to increased discretionary spending on the segment.

Exhibit 1.7: Current Healthcare Expenditure as % GDP, by Country, 2017 and 2020

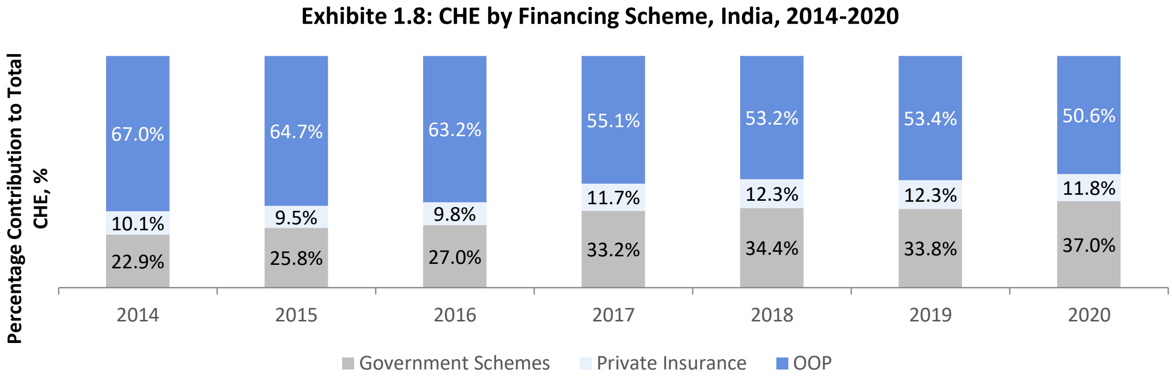


Source: World Bank, Frost & Sullivan

While high-income countries such as the UK, Norway, Belgium, Australia, and the US have higher healthcare expenditures, the spending for Asian countries (excluding exceptions like Japan) is nearly half the global average. For instance, while North America spends nearly 18.1% of its GDP on healthcare, the Euro area spends 11.3%, East Asia and the Pacific spend 6.9%, and South Asia only spends 3.1%. Moreover, most regions have witnessed a jump in the overall current healthcare expenditure per capita in the last 5 years, with East Asia and Pacific witnessing a CAGR of 5.5%, Euro Area- 4.0%, North America – 4.7%, and South Asia- 0.4%. The only regions that have witnessed a decline in absolute value included Sub-Saharan Africa, Latin America, and the Caribbean. India's CHE is a mere 3.0% of GDP, which is very low compared to other Asian and developing peers, implying huge scope for affordable healthcare products.

[3] Economist Intelligence Unit: India's Manufacturing Moment

Increasing insurance penetration and lowering OOP expenditure will significantly push healthcare consumption and expenditure in India.



Source: World Bank, Frost & Sullivan

India is witnessing increased penetration of insurance schemes through government and private insurance. For instance, government initiatives such as the Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) initiated in September 2018, along with State government schemes, offer extensive hospitalization coverage to the lower 50% of the population, covering approximately 70 crore individuals. Social and private voluntary health insurance covers about 20% of the population, equivalent to 25 crore individuals[4]. It has decreased OOP expenditure from 64.7% in 2015 to 50.6% in 2020. This decline is expected to lead to a general increase in healthcare expenditure, particularly pharmaceutical spending. The growth of pharmaceutical spending in India's healthcare sector is driven by a preference for medication-based treatments and a tendency to avoid surgical procedures when possible.

PHARMACEUTICAL INDUSTRY OVERVIEW

Pharmaceutical spending has grown in tandem with overall healthcare spending, particularly driven by an increase in chronic disease cases, growth of the geriatric population, trends in self-medication, and overall affordability of drugs compared to other available alternatives.

The global pharmaceutical industry is transforming the entire value chain owing to a focus on product innovation, operational optimization, provider and patient engagement, and extrinsic pricing pressure from governments and insurers. Amidst this transformation and associated inherent challenges, the industry has delivered groundbreaking innovations at warp speed, as evidenced during the COVID-19 pandemic. It has allowed resilient growth in the overall industry.

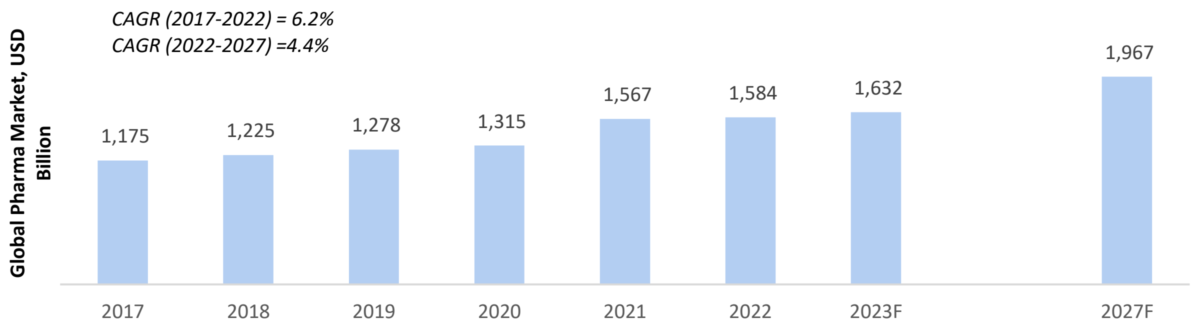
GLOBAL PHARMACEUTICAL INDUSTRY OVERVIEW

Resilient and sustainable long-term growth has been evident in the pharma segment due to growing demand, advancing innovations, and availability of affordable generics.

[4] Niti Ayog: Health Insurance for India's Missing Middle

(iii) GLOBAL PHARMACEUTICAL INDUSTRY OUTLOOK

Exhibit 2.1: Global Pharma Market, 2017 - 2027F



Source: IQVIA Global Use of Medicines- 2023, Frost & Sullivan

The pharmaceutical market is pivotal in advancing global healthcare, encompassing critical aspects such as research, development, manufacturing, and distribution of pharmaceutical products, including drugs, vaccines, and biotechnology-based therapies. Valued at USD 1,584.0 billion in 2022, the market is projected to reach USD 1,967.0 billion by 2027, with a CAGR of 4.4% from 2022 to 2027. However, as COVID-19 cases decline, other therapeutic areas such as Oncology, Alimentary Tract and Metabolism (including diabetes), and Cardiovascular (CVS) will drive future growth.

The traditional growth factors for this segment include increasing incidence of chronic diseases and sedentary lifestyles leading to obesity, diabetes, and other costly health conditions, improved and increased diagnosis of cancer and other rare diseases, and continuing demand from developing nations for tropical and infectious diseases like malaria and dengue. The aging population is also an amplifying factor driving demand- according to WHO, from 2015 to 2050, the percentage of the global population over 60 years will nearly double from 12% to 22%[5] and is anticipated to reach approximately 2.1 billion by the year 2050[6]. The rising demand attributed to a growing geriatric population is a global trend, whereas in markets such as India, characterized by a median age of approximately 28, the predominant health concern revolves around lifestyle diseases, with a prevalence of chronic conditions. Notably, India has earned the title of the "Diabetes Capital of the World," underscoring the heightened susceptibility of its population to diabetes.

Additionally, consumer awareness of health, wellness, and preventive care has swelled after the pandemic, increasing self-medication and propelling the Over-the-counter (OTC) market. The pharmaceutical industry has responded to these varied demands by launching new therapies with curative potential, improving existing therapies by making them more targeted and launching low-cost generics to make medicine more accessible and affordable.

[5] WHO Ageing Key Facts
[6] World Health Organization. Ageing and Health

(iv) GLOBAL PHARMACEUTICAL INDUSTRY CHARACTERISTICS

1. OUTLOOK BY THERAPY AREAS

Chronic diseases such as Oncology, Alimentary Tract and Metabolism, and Cardiovascular (CVS) dominate the global pharma market with a combined market share of 41.0% in 2022. Other than Oncology, Alimentary Tract & Metabolism and Gastrointestinal segments are forecasted to be the fastest-growing therapy areas with a CAGR of >4% between 2022 and 2027.

Exhibit 2.2A: Global Pharma Market by Therapy Area, 2022 - 2027F

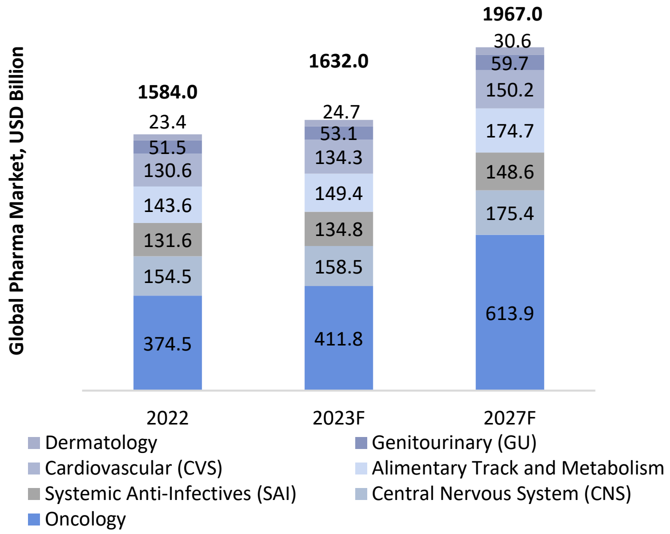
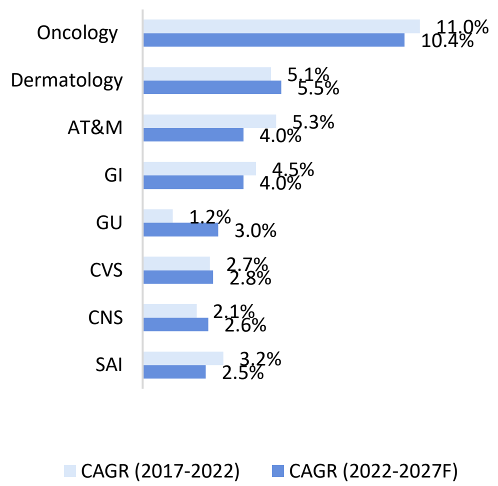


Exhibit 2.2B: Growth Rate of Global Pharma Market by Therapy Area, 2017 - 2027F



Source: IQVIA Global Use of Medicines,2023, Frost & Sullivan

Note: Others (not displayed in the chart) include respiratory, gastrointestinal (GI), sensory organs, musculoskeletal, and blood. AT&M: Alimentary Tract and Metabolism

The global prevalence of chronic diseases has been on a steady rise in recent years, presenting a significant public health challenge. Factors such as unhealthy lifestyle choices and increasing urbanization have contributed to this growth. Conditions like CVS, diabetes, and cancer are becoming increasingly common, creating a substantial demand for pharmaceutical drugs for nearly lifelong use. As a result, globally, the pharmaceutical market for chronic therapy areas like oncology and alimentary tract & metabolism are forecasted to grow at a CAGR of 10.4% and 4.0%, respectively, between 2022 and 2027[7].

[7] IQVIA, Global Use of Medicines- 2023

2. OUTLOOK BY DOSAGE FORMS

Globally, injectables will outpace the growth of oral solids with nearly 2x the CAGR, given the better bioavailability, rapid action, and dose customization capability.

Exhibit 2.3A: Global Pharma Market by Dosage Form, 2017 - 2027F

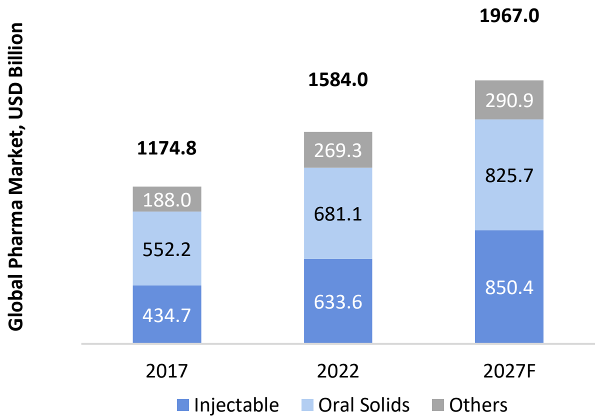
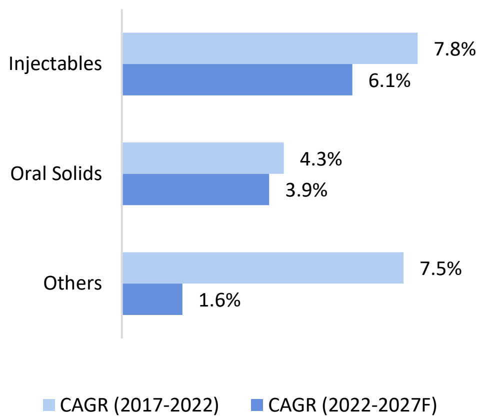


Exhibit 2.3B: Growth Rate of Global Pharma Market by Dosage Form, 2017 - 2027F



Source: IQVIA Global Use of Medicines,2023, Frost & Sullivan

Note: Others include inhalable, implantable, aerosols, etc.

Innovation in formulations has been a key growth driver in the pharma market and is crucial for improving drug delivery, enhancing drug efficacy, minimizing side effects, and improving patient compliance. Historically, solid dosage forms have dominated the global market due to existing manufacturing capabilities in oral solids and ease of administration. While tablets and capsules within oral solids dominate the market and have a wider market share, innovations in solid dosage forms like orally disintegrating tablets, chewable, inlaid tablets, gummies, and tablet-in-tablets for sustained release are gaining popularity. Resultantly, solid dosage forms have long been the largest segment, accounting for 43.0% of the share in 2022. However, growth in the next five years in the injectables market is expected to be nearly twice as fast as in the oral solids segment, driven by injectables' higher bioavailability, better absorption rates, and rapid action due to the ability to deliver drugs to targeted areas. Furthermore, injectables can also be readily and easily administered to patients who are unable to take the drug orally.

In 2023, 61% of the R&D pipeline globally was for injectables, while oral drugs contributed to 29% of the total R&D pipeline[8]. Interestingly, though, the new generation of oral solids will have more complex formulations such as fixed-dose, enteric-coated, multi-layer tablets, and formulations incorporating specialized excipients, such as microspheres or liposomes, to name a few. Likewise, while the overall scope of injectables will increase because of increasing use across targeted therapeutics such as in oncology, diabetes, and immunology, these formulations will also simultaneously become more complex to include nanoparticle-based injectables, suspension and depot formulations, and polymeric micelle formulations.

[8] Pharmaprojects- 2023

3. OUTLOOK BY REGIONS

North America will continue to dominate with ~40% market share in 2022, but pharmerging markets of India, Africa, the Middle East, and Latin America will lead growth with 6.0% - 9.0% CAGR between 2022 and 2027.

Source: IQVIA Global Use of Medicines,2023, Frost & Sullivan

Exhibit 2.4A: Global Pharma Market by Region, 2022 and 2027F

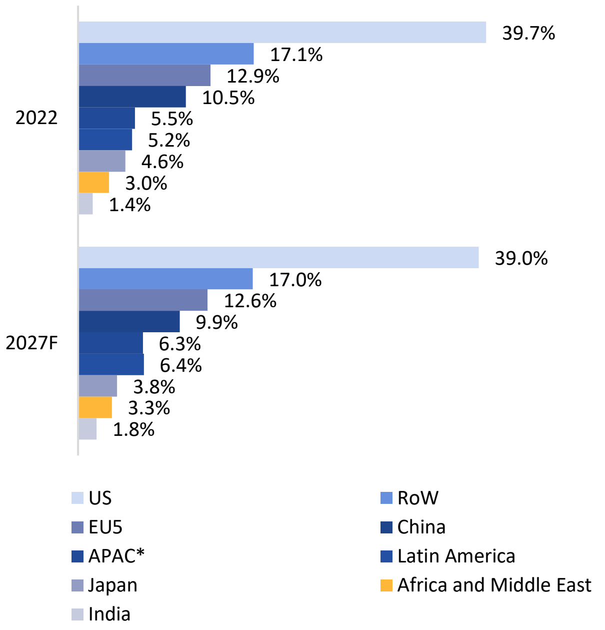
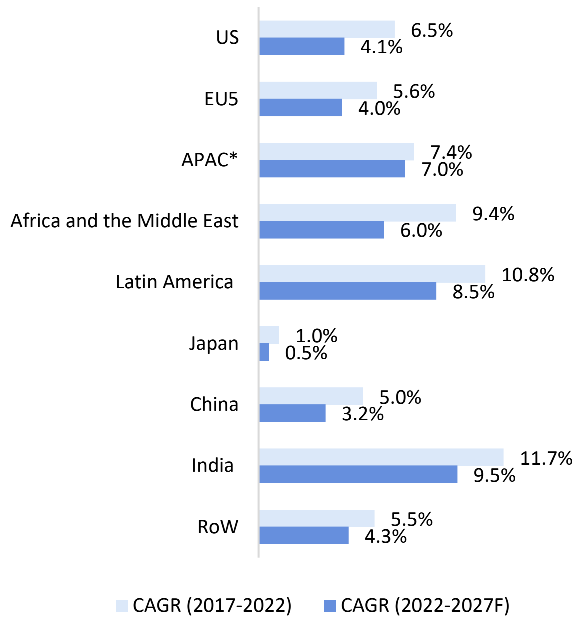


Exhibit 2.4B: Growth Rate of Global Pharma Market by Region, 2017 - 2027F



Note: Growth rate in local currencies, APAC excludes India, China, and Japan, which are provided separately

The United States asserts its dominance in the global pharmaceutical market, contributing 39.7% of the total market revenue in 2022. It is primarily attributed to substantial healthcare spending within the United States, even on very expensive therapies, and increased investments in R&D for new therapies. Europe, particularly the EU5 region, has also been a hub for research and the introduction of innovative medications. Europe benefits from extensive reimbursement coverage, coupled with high treatment rates. Despite the historically robust growth in these established markets, the most rapid expansion occurs in emerging markets across the Asia Pacific (APAC), Latin America, and the Rest of the World (RoW).

Emerging economies, such as BRICS (Brazil, Russia, India, China, and South Africa) present fresh opportunities due to their substantial population size, increasing affluence, and augmented financial capabilities of both governments (public health expenditure) and citizens (private health expenditure), enhanced life expectancy, improved access to pharmaceuticals, increasing coverage in medical insurance policies, better healthcare infrastructure along with awareness, changing disease patterns (from acute to chronic), and availability of low-cost generics. Additionally, strong price erosion and increasing cost of compliance in traditional high-growth markets like the US have encouraged companies to seek growth in under-tapped and relatively less competitive markets by launching new customized products and forming local partnerships. It is expected to drive a 6-9% growth in these economies instead of a global average of 4-5%.

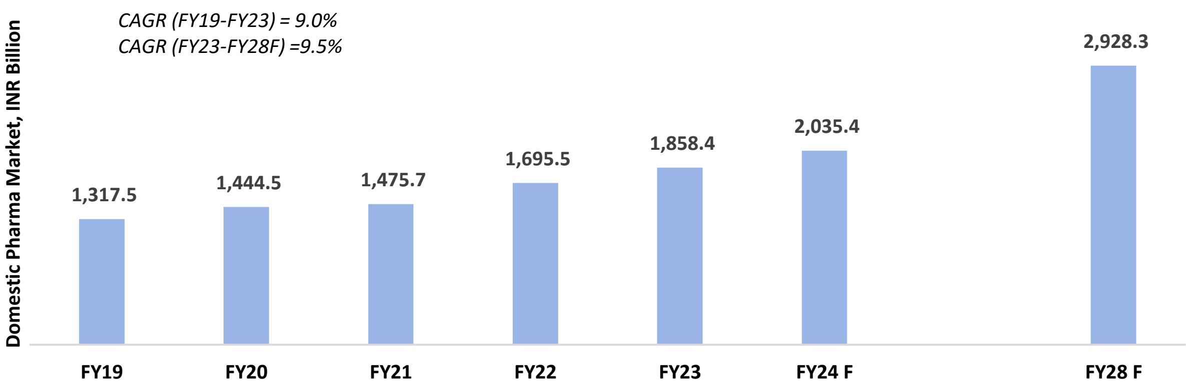
INDIAN PHARMACEUTICAL INDUSTRY OVERVIEW

The enviable growth of the Indian pharmaceutical market (IPM) is attributable to the government's prioritization of the segment, increasing chronic disease incidence, availability of affordable but innovative generics, and improved access to healthcare nationwide.

(v) INDIAN PHARMACEUTICAL INDUSTRY OUTLOOK

With a contribution of nearly 1.3%[9] to India's GDP, IPM registered a 9.0% CAGR in the last five years and a forecast of 9.5% for the next five years.

Exhibit 2.5: Domestic Pharma Market, India, FY19 - FY28F



Source: Pharmarack, Frost & Sullivan

Indian pharmaceutical market is among the fastest-growing pharmaceutical markets in the world, witnessing a value increase from INR 1,1317.5 billion (USD 19.0 billion) in FY19 to INR 2,928.3 billion (USD 35.6 billion) in FY28.

An increase in chronic patient population, insurance penetration, trade generics, demand from tier II and III cities, and government schemes focused on drug access are propelling growth in the IPM.

- **Increased patient population:** India has a large and increasing patient pool with a high disease burden of communicable and non-communicable diseases, thereby providing a large market for the sale of drugs. India contributes 15% of the global burden for highly prevalent diseases (respiratory infections, cardiovascular, diabetes, cervical cancer)[10]. India contributes 20% of the global respiratory disease burden, 14% of the global cardiovascular disease burden, 17-19% of the global diabetes mellitus burden, and 8% of the global cancer burden. India is mirroring the global trend with the increasing prevalence of chronic diseases. The primary drivers of chronic diseases are social shifts, uncontrolled urbanization, detrimental physical environments, and unhealthy lifestyles. As an illustration, by 2025, the elderly population in India is projected to increase to 158.7 million, constituting 11.1% of the total population[11]. A recent study in 2022 revealed that roughly 21% of the elderly population in India is afflicted by at least one chronic disease. Hypertension and diabetes collectively account for approximately 68% of all chronic diseases[12]. Rapid urbanization contributes to increased chronic disease incidence, with nearly an additional 50 million people expected in urban areas between 2023 and 2027.

  Furthermore, as of 2022, nearly half of India's population (49.8%) comprise individuals aged 25 to 64, representing the working age demographic[13]. A sizable working age group, coupled with the swift urbanization process, contributes to a sedentary lifestyle, consequently elevating the risk of chronic diseases. In FY23, the chronic and sub-chronic segments stood at INR 596.8 billion (USD 7.3 billion) and INR 378.3 billion (USD 4.6 billion), respectively, and are expected to grow to INR 963.8 billion (USD 11.7 billion) and INR 605.1 billion (USD 7.4 billion) by FY28, growing at a CAGR of 10.1% and 9.9%, respectively.

  It has encouraged domestic pharma companies to increase their focus on domestic markets and drawn several MNCs to seek growth in the market. However, the Indian market has unique nuances, which have driven pharma companies to partner with Indian CDMOs and leverage their expertise, marketing, and distribution capabilities to gain market access in India.

[9] Make in India Initiative
[10] US-India Chamber of Commerce: Clinical Trial Opportunities in India
[11] Health of the Elderly in India: Challenges of Access and Affordability
[12] Prevalence and potential determinants of chronic disease among elderly in India: Rural-urban perspectives, 2022
[13] World Bank

- **Improved drug access:** In 2008, the Department of Pharmaceuticals launched Pradhan Mantri Bhartiya Janaushadi Pariyojana (PMBJP) to make generic medicines more affordable. Dedicated outlets known as Janaushadi Kendras, providing generic drugs at affordable prices, were opened under the scheme. With less than 100 Jan Aushadhi stores operational in 2014, the number has risen to 9484 as of May 2023, with a product basket of 1800 drugs[14]. Besides affordability, the government is also focused on accessibility. For instance, in FY23, 1,59,733 Ayushman Bharat Health and Wellness Centers were developed in India[15].
- **Rise in insurance penetration:** Additionally, the increase in insurance penetration is allowing more and more Indian populations to access healthcare across all city and economic tiers. Representatively, the number of lives covered by insurance has increased from 482 million in FY18 to 594 million in FY23[16].
- **Growth in trade generics:** These are branded medicines not promoted to physicians but sold directly through retailers and distributors. It results in 50% to 90% lower prices than branded equivalents, thus enabling increased access to a large patient population. According to IQVIA, the market share for trade generics in the IPM market is ~20% by volume and 5% to 6% by value, with the segment exhibiting growth of 14% to 15% per annum. Large pharma companies like Alkem Laboratories Ltd. (Alkem Laboratories) and Torrent Pharmaceuticals Ltd. (Torrent Pharma) intend to scale up their trade generics portfolio to tap into the growing market.
- **Growth in Tier II and Tier III cities:** The pharmaceutical market in India, traditionally focused on major cities, is experiencing a shift towards Tier II and Tier III cities. While metropolises like Delhi and Mumbai house renowned hospital groups, healthcare organizations are increasingly expanding into cities such as Nashik, Indore, Visakhapatnam, Jaipur, Mohali, Surat, and Dehradun. These locations offer advantages like reduced competition and lower real estate costs. The growing healthcare infrastructure in these cities is expected to drive pharmaceutical spending. Along with infrastructural growth, insurance penetration, and COVID-19-prompted behavioral changes, patients seeking care close to home are also driving growth in Tier II and III cities. Additionally, the rise of e-commerce and e-pharmacy chains with extensive distribution networks covering urban and rural areas is enhancing medication accessibility, contributing significantly to the pharmaceutical market's growth.

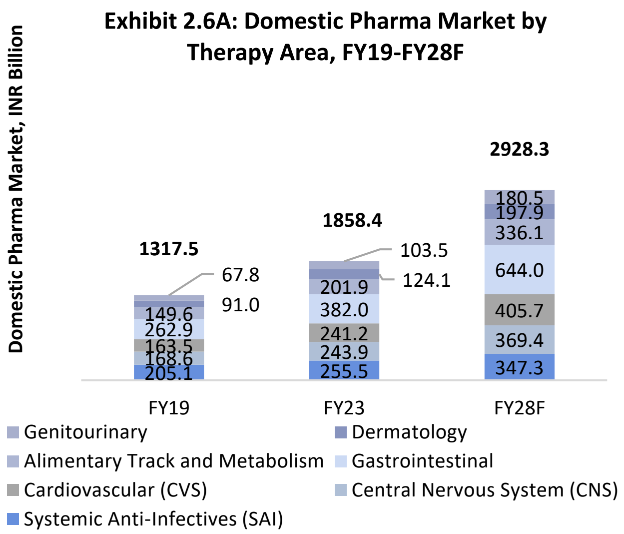
Changing disease patterns, increased affordability, access, awareness, and government and private insurance expansion are fostering increased demand and consumption of pharma drugs; however, high OOP keeps the demand in favor of affordable generics.

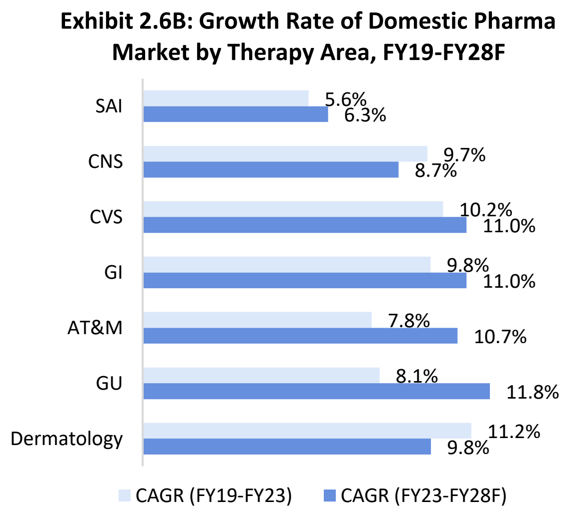
(vi) INDIAN PHARMACEUTICAL INDUSTRY CHARACTERISTICS

1. OUTLOOK BY THERAPY AREAS

The top 3 therapy areas of Systemic Anti-infectives, Central Nervous System (CNS), and Cardiovascular System (CVS) contributed to 39.8% of the market in FY23. Gastrointestinal (GI), Genitourinary (GU), CVS, and Alimentary Tract and Metabolism segments are expected to grow fastest at a CAGR of ~11-12% between FY23 and FY28.

Source: Pharmarack, Frost & Sullivan





[14] Pradhan Mantri Bhartiya Janaushadi Pariyojana (PMBJP)
[15] Ministry of Health and Family Welfare: Ayushman Bharat Health and Wellness Centers
[16] IRDAI

Note: Others (not displayed in the chart) include Respiratory, Blood, Oncology, Sensory Organs, Immunology, etc. AT&M is Alimentary Tract and Metabolism

In line with the disease epidemiology described in the above sections, in FY23, GI, systemic anti-infectives, CNS, CVS, and endocrinology are the top 5 therapy areas, contributing 20.6%, 13.7%, 13.1%, 13.0%, and 10.9%, respectively to the IPM. These segments are expected to grow at a 6-11% CAGR between FY23 and FY28. Aside from these segments, GU and dermatology are also anticipated to grow at a CAGR of 11.8% and 9.8%, respectively, between FY23 and FY28.

2. OUTLOOK BY DOSAGE FORMS

Contrary to global trends, but in line with the Indian market dynamics, nearly 70.0% of the market is commanded by oral solids as opposed to the global average of 42.3%; the fastest growth is expected in inhalation and liquid formulations.

Exhibit 2.7A: Domestic Pharma Market by Dosage Form, FY19-FY28F

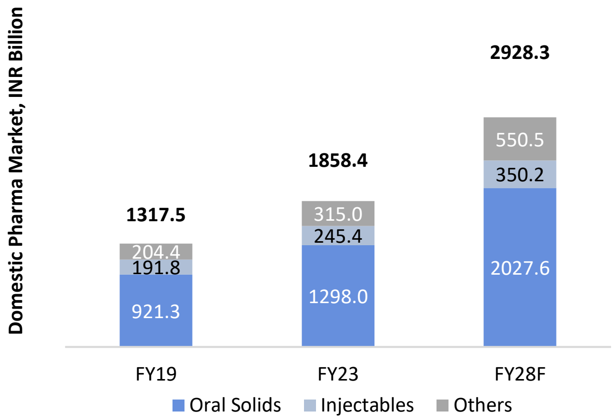
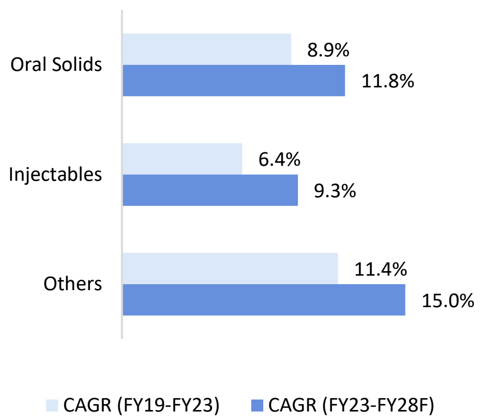


Exhibit 2.7B: Growth Rate of Domestic Pharma Market by Dosage Form, FY19-FY28F



Source: Pharmarack, Frost & Sullivan

Note: Others include implantable, inhalable, aerosol, etc.

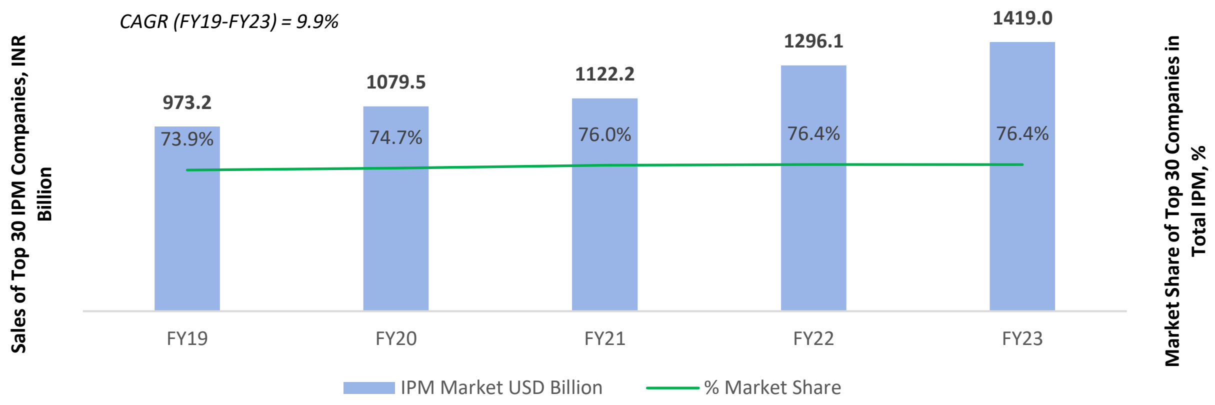
Oral solids have dominated the Indian pharma market, owing to ease of administration, patient comfort, flexibility in dosing, and ease of manufacturing- lower manufacturing costs translating to overall lower costs. Moreover, the market will continue to grow in the country, given the innovations in oral solid formulations ranging from modified release formats to orally disintegrating tablets, lipid-based formulations, coated particles, and multi-particulate systems, to name a few. Consequently, the oral solids segment is expected to grow at a CAGR of 11.8%, from INR 1298.0 billion (USD 15.8 billion) in FY23 to INR 2027.6 billion (USD 24.7 billion) by FY28.

At the same time, other formulations like injectables, inhalations, and liquids are also witnessing rapid growth. While injectables are preferred for fast-acting and precise dosing characteristics, topical formulations and inhalation products are preferred for their localized and disease-specific action. Oral liquids have also gained popularity in pediatric and geriatric formulations, while implants are also beginning to gain traction in the country. As a result, the "others" segment, including liquids, implants, sprays, inhalation products, etc., is expected to contribute the highest growth of 15.0% between FY23 and FY28. In tandem, the injectables segment, which was pegged at INR 245.4 billion (USD 3.0 billion), is expected to grow at a CAGR of 9.3% from FY23 to FY28 to reach INR 350.2 billion (USD 4.3 billion) in FY28.

(vii) IPM COMPETITIVE LANDSCAPE

IPM is dominated by Indian companies, accounting for more than 80% of the market share; moreover, the market is heavily concentrated, with 76% of the share residing with the leading 30 companies.

Exhibit 2.8: Sales of Top 30 IPM Companies, India, FY19 - FY23



Source: Pharmarack, Frost & Sullivan

Note: The leading 30 companies based on sales in FY23

The domestic formulations market is highly consolidated, with the leading 30 companies (based on sales in FY23) contributing 76.4% of the market in FY23. These leading 30 companies have outmatched the growth of the total pharma market, experiencing a 9.9% CAGR between FY19 and FY23. During FY23, Akums Drugs and Pharmaceuticals Ltd. (Akums), one of India's largest CDMO service providers, manufactured formulations for all 10 leading pharmaceutical companies and 26 of the 30 leading pharmaceutical companies in India in terms of sales. Amongst the leading 30 companies, 26 are India-headquartered, whereas only four are multinational. Overall, among the total of 864 companies, Indian companies (827 companies), which accounted for 83.3% of the sales share in FY23, also outpaced total segment growth, enjoying 9.5% CAGR during the last five years. MNCs, however, experienced a slower growth of 2.3% (6.7% in absolute INR terms) during the same period, with many clocking a decline as they handed over their portfolios to domestic companies. While several Indian companies focus on both global and domestic markets, some companies, such as J. B. Chemicals & Pharmaceuticals Limited (JB Chemicals) and Mankind Pharma Ltd. (Mankind Pharma), have derived strong revenue growth of 17.0% and 14.1% between FY19 and FY23, respectively, while focusing largely on the domestic market. Hence, with Indian pharma companies demonstrating accelerated growth, they will increasingly revert to CDMOs with large-scale operations, like Akums, to meet their growing production demands.

Exhibit 2.9: Financial Analysis of Select IPM Companies, FY23, INR Million

Parameter/ Company	Torrent Pharma	Alkem Laboratories	Eris Lifesciences Ltd.	JB Chemicals	Mankind Pharma
Operating Revenue	96,201.50	1,15,992.60	16,851.49	31,492.82	87,494.33
Total Revenue	96,652.90	1,18,153.40	16,963.02	31,592.22	88,779.99
Total Revenue CAGR (FY19 - FY23)	5.75%	12.24%	13.73%	17.02%	14.11%
EBITDA	28,871.90	18,255.30	5,478.99	7,056.94	20,292.06
EBIT	21,806.00	15,151.10	4,308.11	5,912.88	17,032.87
PAT	12,452.30	10,068.10	3,741.60	4,100.08	13,096.80
PAT CAGR (FY19 - FY23)	29.98%	7.27%	6.50%	20.65%	7.83%
ROCE	20.01%	19.26%	14.40%	20.14%	23.51%
Return on Equity	20.09%	10.67%	16.85%	16.53%	17.18%
Return on Net Worth	20.09%	10.88%	17.40%	16.52%	17.24%
EBITDA Margin	29.87%	15.45%	32.30%	22.34%	22.86%
EBIT Margin	22.56%	12.82%	25.40%	18.72%	19.19%
PAT Margin	12.88%	8.52%	22.06%	12.98%	14.75%

Interest Coverage	6.54	14.11	16.46	16.40	38.30
R&D Expense/Operating Revenue	5.36%	4.65%	-	1.13%	2.15%
Fixed Asset Turnover Ratio	1.16	4.75	0.76	1.69	1.90
Debt/Equity Ratio	0.85	0.14	0.38	0.22	0.02
NAV/share (INR)	183.13	756.52	161.49	320.77	185.61
EPS diluted (INR)	36.79	82.31	28.07	52.34	32.00
EPS basic (INR)	36.79	82.31	28.10	53.00	32.00
Face Value (INR)	5.00	2.00	10.00	2.00	1.00

Source: Company Annual Reports, Frost & Sullivan
Note: Selection of the above companies is based on the primary focus on domestic markets
"-" Indicates NA (not available), as limited /no information is available for ratio parameters

Formulas used for calculations are listed below. The calculations are done based on disclosed data and interpretation of data without definitions on a best-effort basis: Operating Revenue = Sales or Net Revenue; EBIT refers to restated profit/ (loss) before share of profit/ (loss) of an associate and exceptional item for the year/ period plus finance costs. Profit after tax for the year/period as appearing in the Restated consolidated financial information; EBITDA refers to restated profit for the year/period plus tax expenses, finance costs, depreciation and amortization expense, the share of profit/ (loss) of an associate and exceptional item; Return on Capital Employed is calculated as EBIT divided by capital employed (i.e., the sum of (i) total equity (ii) net debt). Net debt is calculated as total debt (including both current and non-current borrowings) less cash and cash equivalent, bank balance other than cash and cash equivalents and fixed deposits with remaining maturity of more than 12 months; Interest Coverage = EBIT divided by Interest Expense or Finance Cost; Total Debt = Long-term Debts (Borrowings) plus Short-Term Debts (Borrowings); Fixed asset turnover ratio is calculated as revenue from operations divided by fixed assets during that year; Return on equity is calculated by dividing restated profit for the year period by total equity; Debt-equity ratio is calculated by dividing total debt (including both current and non-current borrowings) by equity attributable to equity holders of the parent; EBITDA margin refers to the percentage margin derived by dividing EBITDA by total income; PAT Margin is the percentage of restated profit for the year/period divided by total income; EBIT margin refers to the percentage margin derived by dividing EBIT by total income; NAV/share= Equity attributable to owners of the company divided by total weighted average number of shares outstanding during the year; Return on Net Worth = PAT attributable to owners of the company divided by Equity attributable to owners of the company.

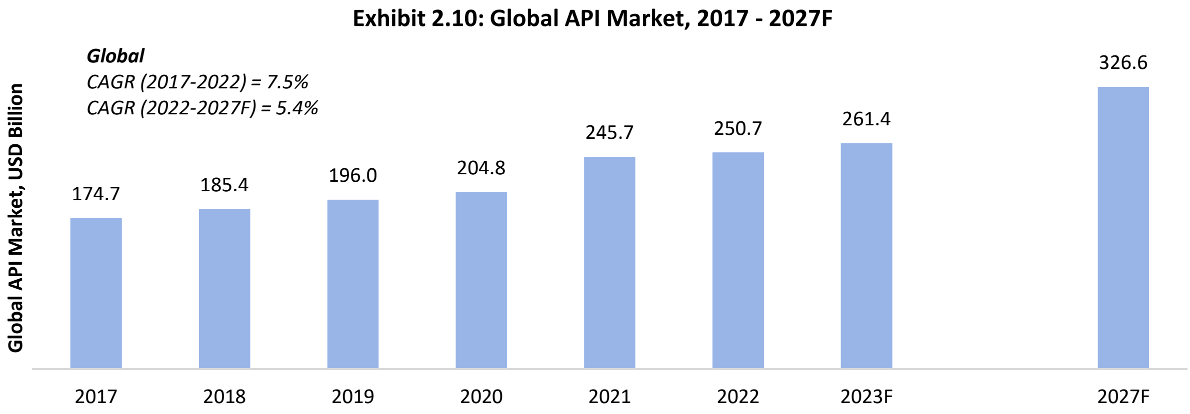
While large pharma companies have experienced undeniable growth, some smaller companies have clawed increasing market share. For example, Akumentis Healthcare Ltd. (Akumentis), a subsidiary of Akums, also focused on domestic markets, has grown remarkably well in this highly competitive market despite several headwinds during the pandemic. While improving its ranks in the IPM from 65 to 61 between FY21 (Sales FY21: INR 306.7 Crore) and H1, FY24 (Sales H1 FY24: INR 262.7 Crore), Akumentis experienced a phenomenal growth of 18.4% (25.5% in absolute INR terms) from FY21 to FY23, outpacing not only the growth of the overall pharma market but also the largest IPM companies. In H1 FY24, Akumentis generated INR 262.7 Cr in revenue with INR 115.1 Crore, INR 82.7 Crore, and INR 65.0 Crore attributable to sub-chronic, acute, and chronic segments, respectively[17]. Akumentis offers a wide range of products across a breadth of therapy areas (12, similar or more than the domestic formulations players (Eris Lifesciences Ltd.: 9, Mankind: 11, Alkem Laboratories: 12, Torrent Pharma: 9, JB Chemicals: 8)[18]. The company's growth was driven by growth in key therapy areas. During the same period, the sales growth for Akumentis for FY19 to FY23 in the therapy areas of cardiovascular (Akumentis:18.4%, IPM: 12.2%), systemic anti-infectives (Akumentis: 11.3%, IPM: 9.6%), alimentary tract and metabolism (Akumentis:19.5%, IPM: 9.1%), respiratory (Akumentis:15.2%, IPM:14.2%) and dermatology (Akumentis:17.1%, IPM: 9.6%) has outpaced the IPM growth for the respective therapy areas during the same period. Additionally, the growth of Akumentis can also be attributed to its presence across the top products in eight leading therapy areas. For instance, as of H1, FY24, Akumentis' portfolio included all top five products (by sales in H1, FY24) in the alimentary tract and metabolism and systemic anti-infectives, 4 of the top 5 products in musculoskeletal and respiratory, 3 of the top 5 products in Genitourinary (GU) and Cardiovascular (CVS), and 2 of the top 5 products in CNS and dermatology[19].

[17] Pharmarack
[18] Pharmarack
[19] Pharmarack

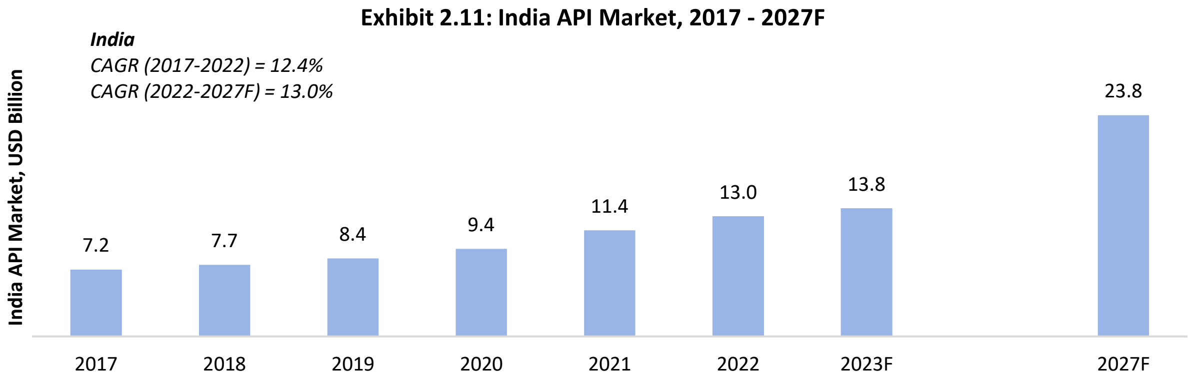
IPM companies have grown not only on the back of increased volume demand from the market but also by introducing innovations in the form of new formulations. Even strong domestic market-focused companies have now started offering controlled/ modified release formulations, chewable, lozenge, and soft gels, to name a few, to meet the evolving nature of demand in the market. For instance, Torrent Pharma and JB Chemicals offer controlled-release tablets, while Mankind, JB Chemicals, and Torrent Pharma offer ampoule injectables. Some of these companies have been enabled by working with CDMOs, offering formulation expertise and the ability to introduce cost-effective innovations customized to the local demand rapidly.

GLOBAL & INDIA API INDUSTRY OVERVIEW

The growth in the formulations market also translates into corresponding growth in the API market. In contrast, the global API market is expected to grow at a CAGR of 5.4% between 2022-2027, and the Indian API market is expected to grow at 13.0% in the same period.



Source: Frost & Sullivan



Source: Frost & Sullivan

The Active Pharmaceutical Ingredient (API) serves as the biologically active core of a drug, inducing specific therapeutic effects, from pharmacological actions to disease diagnosis and prevention. A precisely formulated API is pivotal for ensuring the safety and efficacy of drugs, with the drug's potency directly linked to the API quantity.

The demand for pharmaceutical products corresponds directly to API sales, and as this demand grows, so does the need for APIs. As disease patterns shift from acute to chronic and translate into high drug volume consumption, the access to healthcare facilities and affordable medicine increases, along with an increase in the purchasing power of the middle class in the country; the growth of the API industry will follow suit. Moreover, with the increasing adoption of novel drugs, including biologics, coupled with the volume growth of the generics industry, the segment is expected to grow steadily. Notably, there is a rising preference for complex APIs like Highly Potent Active Pharmaceutical Ingredients (HPAPIs) or those derived from fermentation, contributing to improved drug efficacy and increasing production costs. For instance, one of the key fermentation-based antibiotic APIs- cephalosporin, is estimated to be worth USD 1.9 billion in 2022 and forecasted to reach a size of ~USD

2.8 billion by 2028, with a CAGR of 5-7% during the forecast period. In India, too, cephalosporins comprise 40-45% of the anti-infectives segment[20], with a limited number of manufacturers (4 to 5 players). Thus, expanding high-value APIs will result in an API market growing faster than the pharmaceutical market (by value).

The global API market reached USD 250.7 billion in 2022 and is expected to reach USD 326.6 billion by 2027. The Indian API market for domestic formulations, in line with faster-than-market formulations growth, is also expected to grow at 13.0%, outpacing the global growth of 5.4% between 2022 and 2027.

ROLE OF INDIA IN GLOBAL SUPPLY OF API AND FORMULATIONS

While the growth in the domestic market is undeterred, India has gained new strides in the export market, particularly since emerging as a reliable supplier during the pandemic.

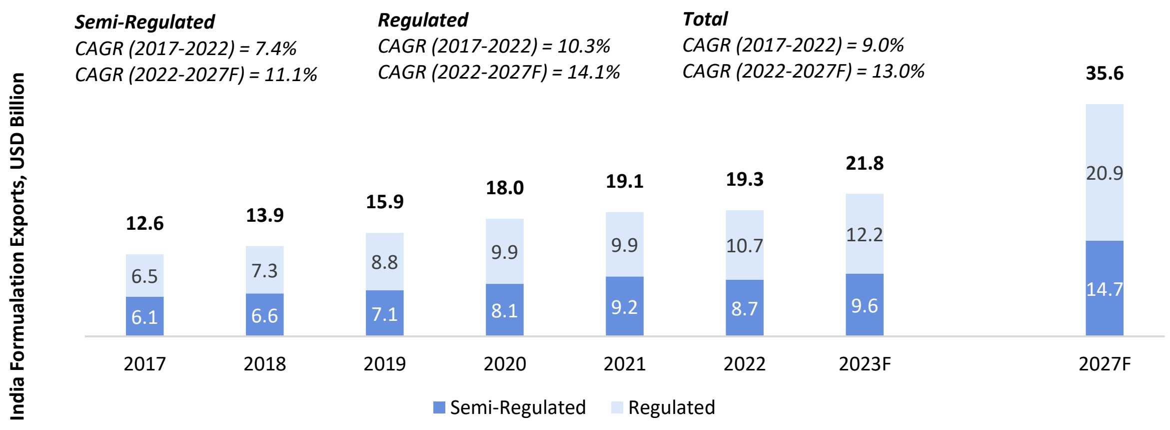
India has been aptly crowned Pharmacy of the World, particularly for its manufacturing prowess and contributions to the global pharma sector. India commands the position of being the largest provider of generic medicines worldwide, holding a 20% share in global supply by volume, encompassing a diverse range of 60,000 generic brands across 60 therapeutic categories. The industry's global reach is underscored by the fact that India exports pharmaceuticals to over 200 countries, supplying over 50% of Africa's generic medicine needs, almost 40% of the generic demand in the US, and about 25% of all medicines in the UK.

With a robust infrastructure, India boasts the highest number of US-FDA-compliant Pharma plants outside the US, housing over 3,000 pharmaceutical companies with an extensive network of over 10,500 manufacturing facilities. The sector is further supported by a highly skilled resource pool, including 500 Active Pharmaceutical Ingredient (API) manufacturers contributing approximately 5.2% to the global API Industry by value[21]. The total pharmaceutical exports (API + FDF) for 2022 (FY23) reached USD 24.0 billion, highlighting the sector's global competitiveness.

(viii) API AND FDF EXPORTS FROM INDIA

While FDF exports have grown by 9% in the last five years, with strong growth in regulated markets, APIs have grown at 6% on the back of semi-regulated/ unregulated markets.

Exhibit 2.12: India's Formulation Exports by Value, 2017 - 2027F



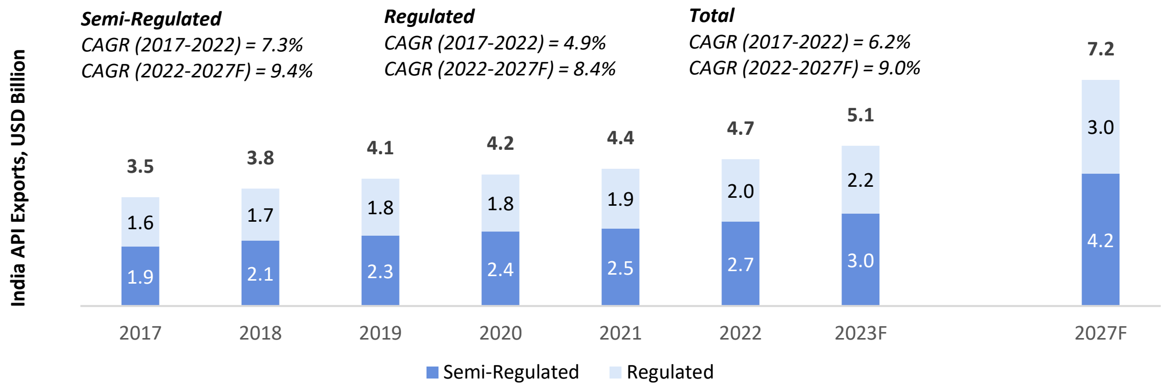
Source: Ministry of Commerce and Industry, Frost & Sullivan
Note: The regulated markets include South Korea, Australia, the US, Europe, Canada, and Japan. In Europe, only the nations classified as 'Stringent Regulatory Authority' by WHO are considered to be regulated markets. Semi-regulated also includes unregulated markets.

Globally, India is the 12th largest exporter of pharmaceutical formulations by value[22]. Formulation exports from India have grown from USD 12.6 billion in 2017 to USD 19.3 billion in 2022 and are expected to grow to USD 35.6 billion by 2027 at a CAGR of 13.0% from 2022 to 2027. Regulated markets account for more than 50% of the share by value, partly because of the comparatively high value per unit. In 2017, regulated markets contributed USD 6.5 billion to total exports and grew at a CAGR

[20] IQVIA: Indian Pharmaceutical Market Quarterly Insights – Q1 2023
[21] Invest India Report
[22] IBEF: Pharmaceuticals- 2023

of 10.3% from 2017 to 2022. Formulation exports to unregulated and semi-regulated markets were valued at USD 8.7 billion in 2022, up from USD 6.1 billion in 2017.

Exhibit 2.13: India's API Exports by Value, 2017 - 2027F



Source: Ministry of Commerce and Industry, Frost & Sullivan
Note: API Exports comprises bulk drugs and intermediates. The regulated markets include South Korea, Australia, the US, Europe, Canada, and Japan. In Europe, only the nations classified as 'Stringent Regulatory Authority' by WHO are considered to be regulated markets.

While India does import some bulk drugs, it is also one of the largest API exporters to global markets. High process efficiencies, the experience of working with regulatory bodies across the globe, and cost competitiveness have allowed India to emerge as one of the world's largest API suppliers. In 2017, India exported USD 3.5 billion worth of API, which jumped to USD 4.7 billion in 2022 and is expected to reach USD 7.2 billion by 2027, growing at a CAGR of 9.0% from 2022 to 2027. The export to regulated markets in 2017 was USD 1.6 billion and grew at a CAGR of 4.9% from 2017 to 2022. Whereas the API exports to semi-regulated markets were at USD 1.9 billion in 2017, they grew at a CAGR of 7.3% from 2017 to 2022 and will reach USD 2.7 billion by 2022.

CDMO INDUSTRY OVERVIEW

CHALLENGES FACED BY GLOBAL AND INDIAN PHARMA COMPANIES AND INCENTIVES FOR OUTSOURCING

Even with a strong growth trajectory, pharma companies face multiple challenges, encouraging companies to seek external partnerships with specialists like CDMOs, preferably with cost-efficient Indian CDMOs.

The pharmaceutical industry is characterized by significant challenges, notably the high capital expenditure required to establish and maintain sizeable and diverse manufacturing units, the R&D expertise required to develop an extensive product portfolio, the need for technical know-how and trained manpower to manufacture formulations and consistent quality control, pricing pressure on finished drug formulations, disruptions within the supply chain, and the long-drawn regulatory and client approval and inspection processes, among others. The substantial need for capital and other factors acts as a formidable hurdle for pharmaceutical companies.

In addition to similar challenges that a global pharma company faces, some of the additional challenges currently being faced by Indian companies are enumerated below:

- **Pricing pressure reducing margins:** The core focus of Indian pharma companies has been generic drugs, already sold at a substantially discounted price. Global federal agencies have been putting price caps and negotiating prices harder, further compressing profit margins. For instance, the Indian Government is implementing price caps on pharmaceuticals to enhance their availability and affordability for a broader spectrum of patients. In April 2023, India's National Pharmaceutical Pricing Authority (NPPA) established maximum prices for 651 of the 870 essential drugs, resulting in a 16.6% reduction in these ceiling prices. It has increased the need to achieve not only economies of scale but also process efficiencies to control costs and maintain profitability.
- **Heterogenous regulatory compliance requirements for varied international markets:** The pharmaceutical industry is subject to stringent regulatory oversight and compliance requirements, which necessitate extensive expertise and experience. Indian pharma companies supply products to over 200 countries, most of which have different regulatory

requirements. Pharmaceutical companies encounter significant challenges in meeting the regulatory requirements of diverse agencies worldwide. They must navigate a complex web of regulations with unique guidelines and expectations, leading to increased compliance costs. Varying approval processes and timelines across regions can hinder global product launches. Staying up to date with evolving regulatory changes and adapting their operations is an ongoing challenge. Maintaining consistency in quality and safety standards across a global supply chain also requires meticulous oversight and coordination. Furthermore, language barriers, cultural differences, and differing interpretations of regulations can complicate communication and compliance efforts.

- **Navigating the ever-evolving Indian market:** The Indian regulatory and commercial landscape is constantly changing. From pricing caps on essential medicines to marketing and promotion rules, the nuances of the market are unique. In the same light, MNC pharma companies, which largely have a stronger presence in only metros and tier I cities, particularly find it challenging to comply with Indian regulatory policies and norms and hence prefer to outsource to CDMOs to ensure market penetration and growth in the Indian pharma market.
- **Focus on asset-light model**: Indian pharmaceutical companies are gravitating towards asset-light models to focus on core competencies (a deviation from the past where the focus was on manufacturing). Moreover, the increasing cost and reduced turnaround time of upgrading technology, along with the growing complexity of integrating new-age digitized systems with conventional existing tech, has encouraged pharmaceutical companies with internal manufacturing to work on reducing operating and capital costs.
- **Need for portfolio expansion:** In a highly competitive and constantly evolving environment, Indian pharma companies face increased demand for new products, complex formulations, or dosage forms. Developing these capabilities in-house can strain budgets, and the time to develop these capabilities can be high. However, by outsourcing to CDMOs, pharma companies can leverage their existing capabilities and expertise to launch new products and offer new dosage forms.
- **Focus on quality:** Indian pharma companies continue to grapple with quality issues. From news around low-quality cough syrups to increased observations from the FDA, the pain for Indian companies continues. For instance, US inspectors have, in recent months, uncovered wide-ranging lapses at factories run by some of India's biggest pharmaceutical firms. Indian drug companies have consistently had the highest number of Official Action Indicated (OAI) from FDA inspections, accounting for 30-32% of total observations for foreign sites and reaching a peak of 59% in FY23 in the last six years[23]. Observations span unsanitary manufacturing conditions, poorly trained staff, shredded paperwork, and drug contamination. As these observations result in product recalls and export bans, it's become increasingly important for Indian pharma companies to manufacture and supply high-quality and compliant products.

To overcome these obstacles, pharmaceutical firms have turned to external partners. They are increasingly looking to CDMOs as strategic collaborators. Historically, pharmaceutical companies focused on high-volume product sales and forged partnerships with contract service providers to augment their manufacturing capabilities. Concurrently, contract manufacturers thrived by consolidating demand and reaping the benefits of economies of scale. Nevertheless, pharmaceutical sponsors are now forging more integrated partnerships with CDMOs with a shift toward precision medicine and a focus on niche and complex therapeutic areas.

Furthermore, the emergence of complex formulations and the advent of Novel Drug Delivery Systems (NDDS) has led to increased demand for novel dosage forms such as sustained-release tablets, bi-layered tablets, chewable tablets, dry syrups, and inlay tablets, among others. Sponsors seek partnerships to access advanced manufacturing technologies for these innovative dosage forms, expand their existing capacity, enter new markets, and manage development risks. Additionally, to exercise better control over the manufacturing process, CDMOs work closely with pharmaceutical companies and facilitate frequent audits.

In response to these trends, pharmaceutical service providers (CDMOs) have elevated their offerings. This expansion encompasses drug development manufacturing, local and global regulatory support to access multiple markets simultaneously, establishing distribution channels, and a willingness to share risk with pharmaceutical companies to reduce exposure and expedite project timelines. CDMOs are indispensable in ensuring the cost-effective manufacturing of complex products on a large scale while maintaining rigorous quality standards to meet global demands.

From offering cost savings to shortening time to market, the CDMOs allow pharma companies to employ an asset-light model and access global and specialized expertise while staying abreast with rapid innovation launches.

- **The cost advantage of outsourcing:** In recent years, drug development and commercialization costs have been increasing, further straining the profit margins of pharma companies. In 2022, based on a study[24] of the top 20 pharmaceutical companies, the average cost to develop and commercialize a drug was USD 2.284 billion. Whereas

[23] FDA: Inspection Classification Database
[24] Pharmaprojects- 2023

in 2019, the same cost was USD 1.986 billion (including the cost of failure). Moreover, since early 1900, the cost of drug approval has doubled from USD 1,000 to USD 1,200 million in 1990 to the early 2000s to USD 1,300 to USD 3,000 million in the 2000s to 2020s. CDMOs can typically help gain 35%-70% savings by bringing their experience, expertise, and economies of scale in managing drug development and manufacturing. Selection of the right geographical location for outsourcing can also impact cost savings.

Exhibit 3.1: Cost Savings from Outsourcing to CDMOs, Global Range, 2022

Source: Industry KOLs, Frost & Sullivan

Note: Cost advantage (savings) arising from outsourcing can be as high as 60-70% depending on the region of outsourcing

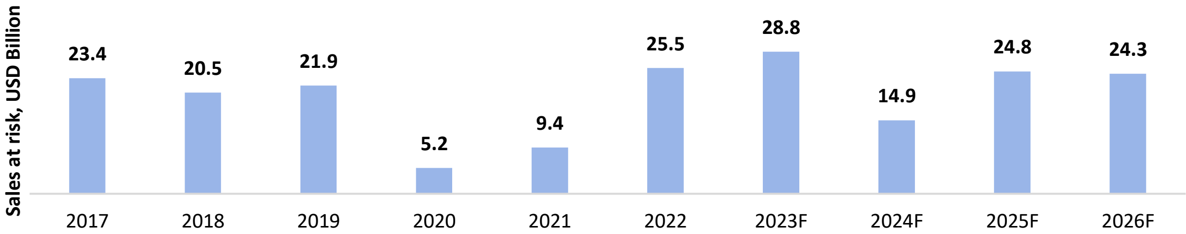
- **Time Savings:** In 2022, the average launch cycle time (from the advent of trials until approvals) also increased. The average cycle time in 2021 was 6.9 years, which rose to 7.02 years in 2022[25]. Therefore, drugs spend longer in the development phase, increasing costs. Furthermore, it often takes ~7-10 years for a drug to move through all four phases. A delay in any phase can cause huge losses. CDMOs are equipped to handle various drug development and manufacturing aspects, which can significantly accelerate project timelines.
- **Access to Specialized and Global Expertise:** The number of complex molecules and formulations with low solubility is increasing. Furthermore, drug development and manufacturing are highly collaborative processes involving multiple stakeholders like drug developers, API and excipient suppliers, technology providers, regulators, etc. CDMOs have dedicated teams of scientists, engineers, and regulatory experts with specialized knowledge in formulation development, analytical testing, and quality assurance. By outsourcing to CDMOs, companies can tap into this expertise without building in-house capabilities.
- **Supply chain risk mitigation:** Companies are increasingly looking to de-risk their supply chain and diversify their sourcing efforts. By partnering with CDMOs, companies can share some of these risks.
- **One-stop shop solution:** CDMOs are consolidating and becoming one-stop shops that offer end-to-end services. This positions CDMOs as valuable long-term partners to pharma companies, reducing project management costs, sharing risks of product success, and eliminating scalability challenges.
- **Supporting the growth of small and mid-sized pharma:** Although large pharmaceutical industry leaders are leading the way in drug innovation, small and mid-sized companies are also actively showcasing their innovation. As such, the share of the R&D pipeline in small to mid-sized companies has increased from 66.6% in 2017 to 74.9% in 2023. In 2009, 31% of the NMEs discovered were developed by small pharma companies, and in 2018, it doubled to a staggering 64%. However, most small and emerging pharmaceutical companies lack advanced development and manufacturing expertise. These companies opt to partner with CDMOs to build and commercialize their clinical pipeline.
- **Flexibility and Scalability:** CDMOs offer flexible adaptation to changing project requirements. They can scale production up or down as needed, allowing companies to efficiently manage variations in demand from the development phase to the commercialization phase and owing to unforeseeable changes (e.g., pandemics, wars, inflation) in the commercial market. Additionally, pharma companies will lean on outsourcing partners to manufacture large volumes and make the drug accessible in generic-dependent markets such as India, Africa, and South America.
- **Access to Advanced Technologies**: CDMOs invest in state-of-the-art equipment and technologies, ensuring access to the latest drug development and manufacturing innovations. This access can improve product quality and process efficiency.
- **Focus on Core Competencies:** Outsourcing non-core functions to CDMOs allows pharmaceutical and biotech companies to concentrate on their core competencies, such as research, marketing, and strategic planning. This strategic focus can lead to better innovation and market access.
- **Global Reach:** CDMOs with a global presence can assist companies in expanding into new markets or regions, navigating regulatory complexities, and accessing a wider customer base.

[25] Pharmaprojects- 2023

- **Reduction of Capital Expenses:** Building and maintaining manufacturing facilities and infrastructure can be capital-intensive. By outsourcing manufacturing to CDMOs, companies can avoid these capital expenditures and allocate resources more efficiently. Hence, pharma companies are drifting from Capex to Opex business models.
- **Upcoming patent expiries and concurrent high-volume demand:** The upcoming patent expiries, including some key products like Vyvanse, Tasigna, Vimpat, Galvus, and Xarelto, will lead to growth in the generics market, particularly from underpenetrated markets like India, consequently increasing the demand for outsourcing.

Source: IQVIA, Global Use of Medicines 2022, Frost & Sullivan

Exhibit 3.2: Impact/Sales at risk Due to Upcoming Patent Expiries of Small Molecules, 2017 - 2026F



Note: Data shows the impact of patent expiry in developed markets, and sales at risk are annual US sales in the year before patent expiry

- **Conscious manufacturing:** Environmental, Social, and Governance (ESG) reporting has become imperative across all sectors, including the pharmaceutical sector. In 2019, the total carbon emissions by the healthcare industry were 2 Gigatons of carbon dioxide equivalent, which accounted for 4.4% of the total carbon emissions- 71% of the emissions were derived from the pharmaceutical industry. A recent study that analyzed 75 public pharma companies identified that they do not have climate commitments to achieve 1.5 degrees Celsius world targets[26]. Increased environmental consciousness, regulations, oversight, and monitoring have prompted several global pharma companies to opt for partners adopting sustainable and environmentally friendly manufacturing practices. Since CDMOs are adept in development and manufacturing, they further help companies reduce their carbon emissions and gain carbon credits.

CDMO INDUSTRY OVERVIEW

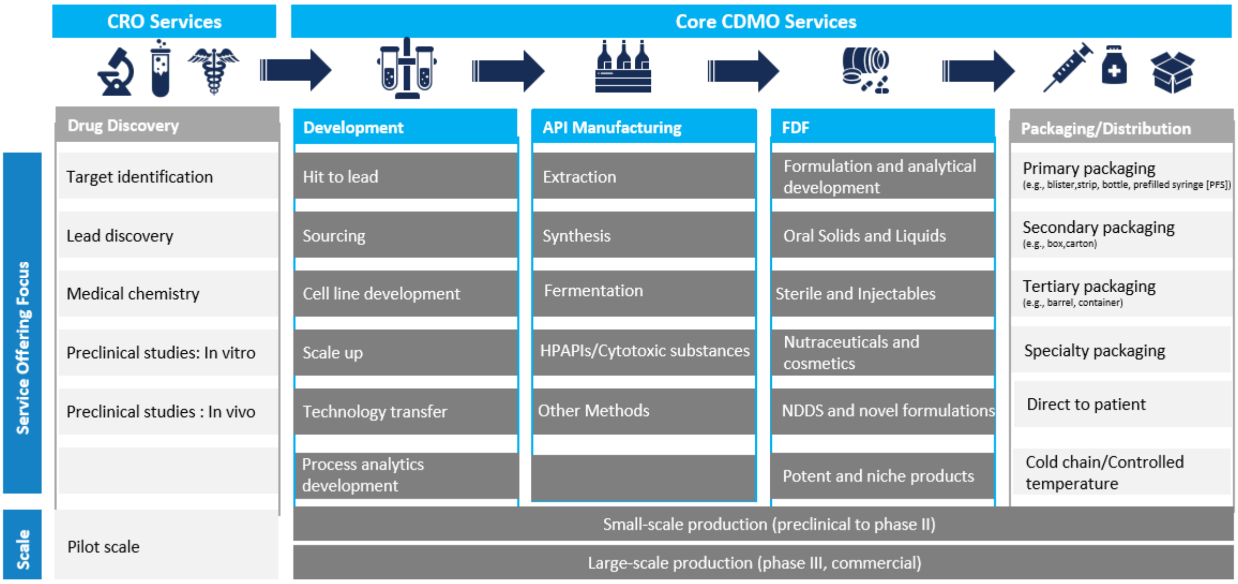
(ix) Scope and Range of Services Offered

CDMOs are increasingly participating in larger parts of the pharma value chain, from drug discovery to commercialization across multiple geographies, in response to evolving demands from pharma sponsors.

In line with the expanding scope of services, CDMOs now collaborate closely with CROs and pharma sponsors to offer support during the R&D phase and transition smoothly to the development and manufacturing phase. Across the post-research and discovery phase, CDMOs offer services like formulation development and manufacturing, BA/BE for generic drug development, and other peripheral services like packaging, inventory, and logistics management for clinical trials, as well as large-scale commercial use.

Exhibit 3.3: CDMO Service Spectrum, Global

[26] The Carbon Impact of Biotech & Pharma Report: Progress to the un race to zero, 2022



Source: Frost & Sullivan

Core drug manufacturing entails manufacturing intermediates and starting materials, which can be synthesized into API and ultimately into a drug product. Manufacturing processes differ by drug modality and, therefore, require custom capabilities. For example, finished oral formulations, sterile injectables, hormonal drugs, nutraceuticals, ayurvedic drugs, and cosmetics require different manufacturing capabilities. In addition to varying capabilities, CDMOs offer different scales for small lab-scale batches, clinical trial batches, and commercial-scale products. CDMOs are honing their capabilities to provide holistic solutions for clients, aiming to foster sustained long-term relationships. Customer relationships with CDMOs are increasingly becoming sticky as clients prefer to partner with CDMOs from the early phase of drug development and with CDMOs offering end-to-end solutions. In addition to avoiding challenges with tech transfer between multiple players, pharma companies prefer partnering with a single CDMO, thereby increasing customer stickiness. For instance, for Akums- an Indian CDMO- customer base has increased from 1,161 in FY21 to 1,543 in FY23, with long-standing relationships.

To some extent, this stickiness comes from Akums' ability to manufacture small to large batch sizes. For instance, the batch size for Pantoprazole oral solids ranges from 1 lakh to 60 lakhs. Larger batch sizes, in particular, allow for demand elasticity to support a product from launch till it grows to a big brand, efficiency in batch manufacturing costs, and testing costs.

(x) DOMINANCE OF SMALL MOLECULE OUTSOURCING

Given the dominance of small molecules in the total pharma market and their strong legacy, these products have accounted for the dominant share (~80% of the total CDMO Market in 2022) of CDMO services.

Small molecules[27] dominated the global pharma market with 72.8% market share in 2022, 59.4% of USFDA approvals, and 53.0% of the clinical pipeline in the same year, ensuring the segment's long-term growth.

Exhibit 3.4A: Global Pharma Market by Modality, 2022 - 2027F

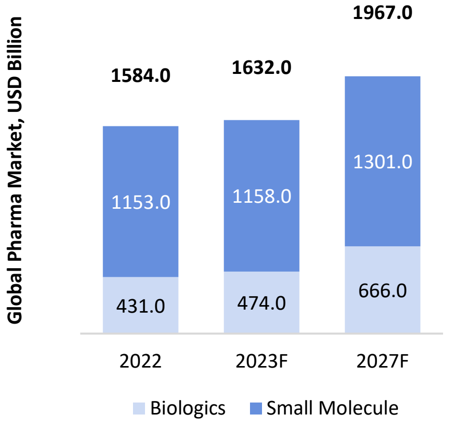


Exhibit 3.4B: Global R&D Pipeline by Modality, 2022 - 2023F

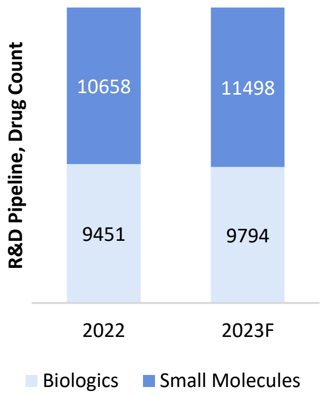
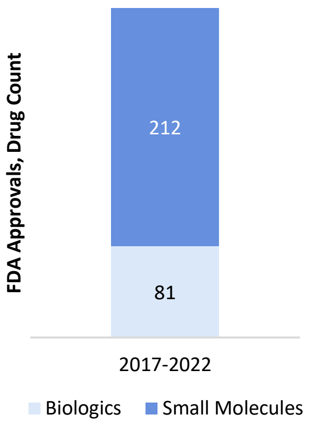


Exhibit 3.4C: FDA Approvals by Modality, 2017-2022



Source: IQVIA Global Use of Medicines-2023, Pharmaprojects- 2023, FDA, Frost & Sullivan

Note: Small molecule drugs are approved under a New Drug Application (NDA), and new biological products are approved under a Biologics License Application (BLA)

Given the preference for more cost-effective options, small molecules have established their dominance in the market. Their economic pricing renders them accessible to a broader patient demographic, establishing a significant foothold. Small molecules offer additional advantages, including ease of administration, lower investment requirements compared to biologics, and a wider range of therapeutic applications. Ongoing innovative research and development, exemplified by small molecule drugs influencing RNA splicing and formulations featuring antibody or peptide conjugates, are pushing the traditional boundaries of treatment efficiency, consistently driving growth in the small molecule sector. This legacy, history, and dominance of small molecules allowed CDMOs to develop specialized capabilities and large capacities in the sector, thus accounting for 80% of the total CDMO service sector in 2022.

GLOBAL SMALL MOLECULE CDMO INDUSTRY OVERVIEW

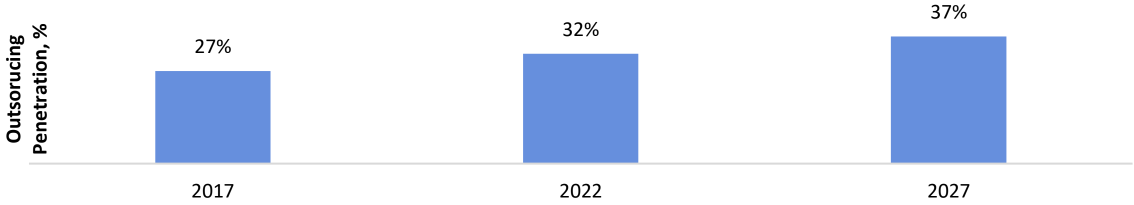
(xi) GLOBAL SMALL MOLECULE CDMO OVERVIEW

Growth in the small molecule CDMO market is expected to outpace the growth of the global pharma market by nearly 150 basis points.

Increasing trends in outsourcing (with outsourcing penetration expected to jump from 27% in 2017 to 37% in 2027) stemming from growing drug complexity and rapid technological turnaround, upcoming loss of exclusivity for drugs driving high volume demand for generics, and increased business model shift from Capex to Opex will aid in propelling the small molecule CDMO market to grow faster than the global pharma market. The small molecules CDMO market is forecasted to grow from USD 91.0 billion in 2022 to USD 121.0 billion in 2027. Moreover, with growing outsourcing penetration, the CDMO market is forecasted to grow at a CAGR of 5.9% from 2022 to 2027, faster than the historical CAGR of 5.4% from 2017 to 2022. This increase in growth rate is driven by the expansion of asset-light pharmaceutical companies, heightened cost-efficiency and manufacturing optimization solutions, comprehensive end-to-end services, focus on rapid time-to-market, and the advantages associated with economies of scale.

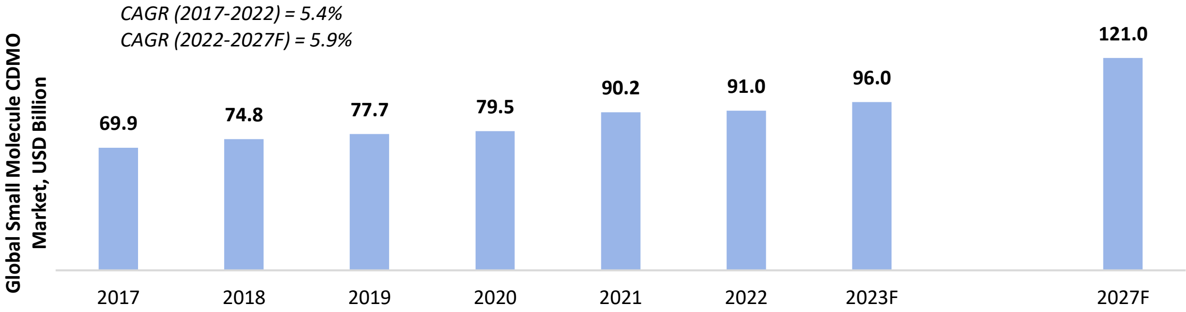
[27] Small pharmaceutical molecules, under 900 Daltons, target specific biological sites for therapy. Biologics, larger (3,000-150,000 Da) proteins and antibodies, require injections for drug delivery.

Exhibit 3.5: Outsourcing Penetration in the Small Moelcule Market, Global Average, 2022



Source: Frost & Sullivan

Exhibit 3.6: Global Small Molecule CDMO Market, 2017 - 2027F

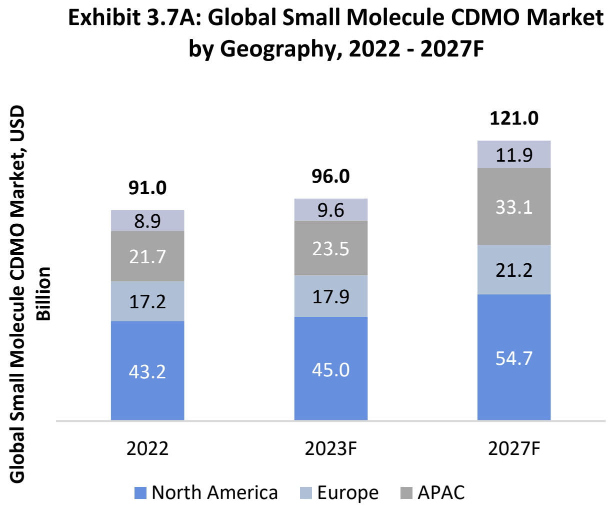


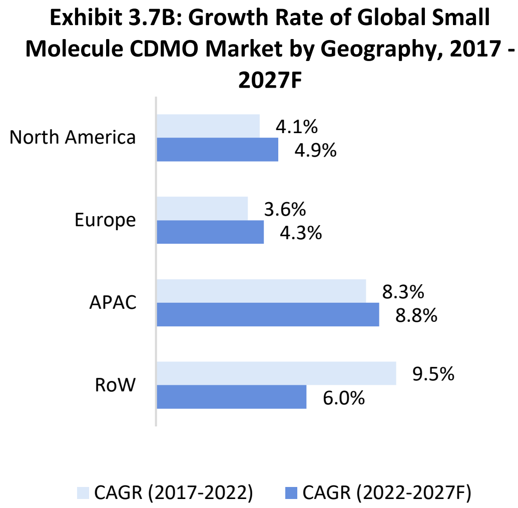
Source: Frost & Sullivan

1. GLOBAL SMALL MOLECULE CDMO REGIONAL OUTLOOK

APAC CDMOs are rapidly increasing their share in the global CDMO market, from 20.8% in 2017 to 27.4% in 2027, with Indian CDMOs as the key contributor to this growth.

CDMOs were historically concentrated in Europe and the US. Nevertheless, driven by cost efficiencies, rapid capacity expansion, and enhanced capabilities, the outsourcing hub has shifted to the East, particularly the Asia-Pacific (APAC) region. Factors like the low cost of manufacturing, availability of raw materials, regulatory reforms, and increasing demand for pharmaceuticals in the local markets influenced this shift. While the US and European CDMOs thrived on custom manufacturing innovative drugs, APAC companies leveraged mass production capabilities for generic drug production. North America has the largest market share, with a 47.4% share, in 2022. However, it will witness a decline in market share by 2027 (45.2%), growing at a CAGR of 4.9% from 2022 to 2027. APAC has a market share of 23.8% in 2022 and will experience strong growth to reach a market share of 27.4% by 2027 at a CAGR of 8.8% from 2022 to 2027. Historically, North America and Europe have dominated the CDMO market. However, owing to cost benefits, improving regulatory compliance, and positive government initiatives, pharma companies are increasingly looking toward the East for outsourcing partners. Furthermore, companies are increasingly looking to de-risk their supply chains post-COVID and owing to global geopolitical turbulence. While India and China are the two popular destinations, with increasing labor costs in China and an increased adoption of the 'China plus One' strategy, companies increasingly prefer India for outsourcing.





Source: Frost & Sullivan

A. SHIFT OF OUTSOURCING MOMENTUM FROM CHINA TO INDIA

A 2019 FDA study showed that 72% of the total API consumption in the US was sourced from overseas, with a large part of sourcing from India (18%) and China (13%)[28]. Due to its API space dominance and significant cost advantages, China is a prominent APAC CDMO service supplier. However, contamination, facility shutdowns due to pollution concerns, language barriers, trade wars, disruptions related to the pandemic, and adopting the 'China plus One' strategy have collectively prompted pharmaceutical sponsors to explore other countries in the APAC region for outsourcing. Given its robust infrastructure and favorable regulatory reforms, India is a frontrunner in outsourcing activities. In addition to offering advantages like China, India also provides cultural benefits, an English-speaking workforce, experience in serving regulated markets, and specialized CDMOs that can aptly meet complex global demand in development and manufacturing.

According to a recent study[29], the number of IP-related lawsuits in China tripled from 2016 to 2020. Hence, challenges with IP protection persist in China. At the same time, India has made significant strides in the last decade, from multilateral agreements on IP to amendments to national laws. It has emerged as a desirable destination for pharma companies. India made a significant move by joining GATT (General Agreement on Trade and Tariffs) in 1995 and becoming fully Trade-Related Intellectual Property Rights (TRIPS) compliant in 2005. It shifted from recognizing only process patents to complete product patents, thus eliminating partners' fear of patent infringement when outsourcing, particularly for innovator products.

Exhibit 3.8: Benefits of Outsourcing to India, China vs. India

Criteria	**China**	**India**
2022 Cost of Labor (Monthly Minimum Wage)	USD 286.5	USD 58.9
Median Working Age	38.4 years	28.4 years
Working Age Population as a proportion of the total population	69%	68%
2023 – 2027 Ease of Doing Business (EIU Ratings)	Finance: 5.9 Private Enterprise Policy: 4.8 Infrastructure: 6.8 Tax Regime: 5.1 Foreign Trade Exchange: 6.3	Finance: 6.3 Private Enterprise Policy: 5.8 Infrastructure: 5.4 Tax Regime: 6.1 Foreign Trade Exchange: 7.3
Infrastructure – GDUFA Registered Facilities	169 facilities for FY24, including 112 API facilities 38 FDF facilities	376 facilities for FY24, including 200 API facilities 134 FDF facilities

[28] FDA: Safeguarding Pharmaceutical Supply Chains in a Global Economy
[29] Intellectual Property Rights in China—A Literature Review on the Public's Perspective

	11 facilities engaged in API and FDF 8 CMO facilities	21 facilities engaged in both API and FDF 21 CMO facilities
Language Barrier	There is a high language barrier as the limited working population is English-speaking	Large English-speaking workforce

Source: Current Economy (National Minimum Wage); World Bank; Economic Intelligence Unit; FDA; Frost & Sullivan

Note: The working age population is 15 to 64 years old. In the Ease of Doing Business Ratings by the Economist Intelligence Unit, 10 is the highest score.

INDIAN CDMO INDUSTRY OVERVIEW

Large-scale, low-cost, and yet high-quality manufacturing capabilities with a high number of globally accredited plants, a surplus of highly skilled workforce, broad portfolio expertise, and technology innovation will propel the Indian CDMO industry; it currently accounts for 7.7% of the global small molecule CDMO market.

India's prowess in pharmaceutical manufacturing lies in its ability to produce vast quantities of affordable generic drugs. The country possesses extensive manufacturing capabilities, aligning with international regulatory standards. Furthermore, India, as the world's most populous nation with a burgeoning working-age population, offers access to a substantial labor force. India boasts the highest number of FDA-approved manufacturing facilities outside the United States. Notably, India demonstrated remarkable performance during the pandemic, showcasing its robust contract manufacturing capabilities and unwavering dedication by fulfilling domestic and global requirements for vaccines and COVID-19 medications. These achievements are attributed to India's domestic contract services, which play a crucial role in forming strategic partnerships and expanding the capacities of Indian and global pharmaceutical companies to meet growing demands.

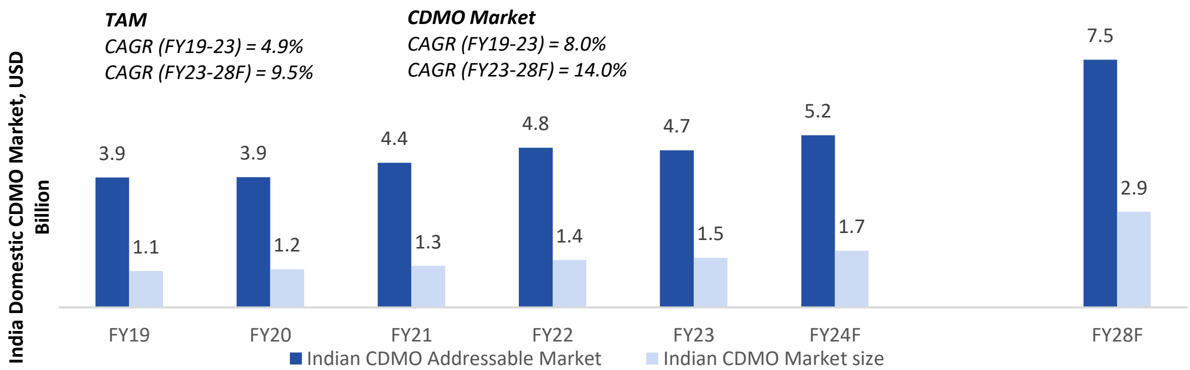
More notably, Indian pharmaceutical companies have undergone a substantial transformation in their approach to outsourcing, marking a noteworthy departure from historical hesitations. They increasingly turn to home-grown Indian CDMOs as strategic partners, reflecting a growing confidence in the value and benefits of such collaborations. This shift underscores the evolving dynamics within the pharmaceutical industry, where Indian CDMOs have become trusted allies in drug development, manufacturing, and research, facilitating a more streamlined and efficient pharmaceutical landscape. Moreover, with the explosive growth expected in the IPM and the need to bridge the demand-supply gap rapidly and urgently, pharma companies will increasingly resort to CDMO for reliable capacity expansion.

In addition to gaining immediate access to high capacities, Indian pharma companies are also benefitting from outsourcing to Indian CDMO by achieving cost reductions and economies of scale, gaining access to highly skilled in multiple innovative dosage and API forms, and solving the growing challenge of quality.

(xii) DOMESTIC CDMO MARKET OVERVIEW

A surge in domestic demand, at times surpassing existing manufacturing capacities, coupled with the integration of global formulation advancements and the imperative for cost-effectiveness, is propelling Indian pharmaceutical companies towards an unprecedented rise in outsourcing activities.

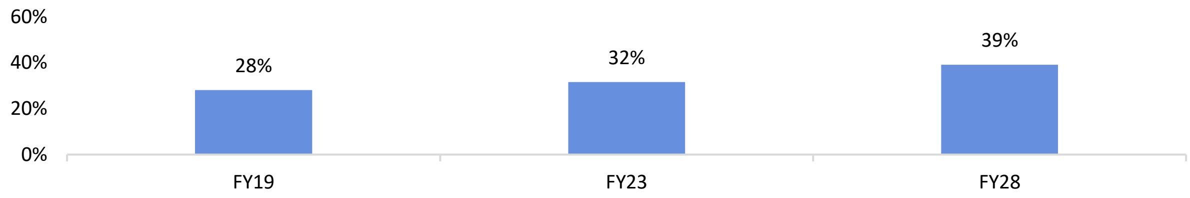
Exhibit 3.9: Indian Domestic CDMO Market, FY19 - FY28F



Source: Frost & Sullivan

Note: TAM refers to the Total Addressable Market, which is representative of the total market CDMOs can serve (Total cost of manufacturing), whereas CDMO market represents the market being served by CDMOs (proportion of TAM penetrated by CDMOs)

Exhibit 3.10: Outsourcing Penetration in the Indian Domestic CDMO Market, FY19 - FY28F



Source: Frost & Sullivan

Indian domestic CDMO market is fairly nascent in comparison to export-driven markets since IPM recently started outsourcing large-scale manufacturing to CDMOs. It has come in response to growth in volume demand in the market for traditional and novel formulations, high penalties for poor quality-related performance, diversification of sales channels in the form of trade generics requiring a specialized commercialization approach, and the need to improve profitability by achieving cost-efficiencies.

Leading pharma companies in the IPM are displaying positive trends for outsourcing drug manufacturing to CDMOs. Key companies in the Indian pharmaceutical landscape, such as Cipla Ltd., Sun Pharmaceutical Industries Ltd., Glenmark Pharmaceuticals Ltd., Wockhardt Ltd., Emcure Pharmaceuticals Ltd., Lupin Ltd., Intas Pharmaceuticals Ltd., Ajanta Pharma Ltd., Mankind Pharma, Indoco Remedies Ltd., Zuventus Healthcare Ltd., and Eris Lifesciences Ltd. have chosen to outsource their drug manufacturing requirements to Indian CDMOs such as Innova Captab Ltd., Windlas Biotech Ltd., and Akums.

Increased outsourcing is already discernible in lower proportional Capex investments by top pharma companies in the past 5 years, as opposed to increased investment from CDMOs.

The increased level of outsourcing is also evident from the past five-year trends for Capex expenditure by pharma companies. Capex as a percentage of total revenue (for FY19-FY23) for pharma companies such as Dr. Reddy's Laboratory Ltd., Lupin Ltd., and Sun Pharmaceutical Industries Ltd. stood at 6.4%, 6.0%, and 5.5%, respectively[30]. On the contrary, CDMOs were actively ramping up their capex during this period; for instance, the Capex as a percentage of total revenue for FY19-FY23 for CDMOs such as Divi's Laboratories Ltd. and Suven Pharmaceutical Ltd. (Suven Pharma) stood at 11.5% and 12.2%, respectively. Consequently, the diminished efforts for capacity expansion by Indian pharma players will lead to increased outsourcing to Indian CDMOs, fueling the Indian CDMO market.

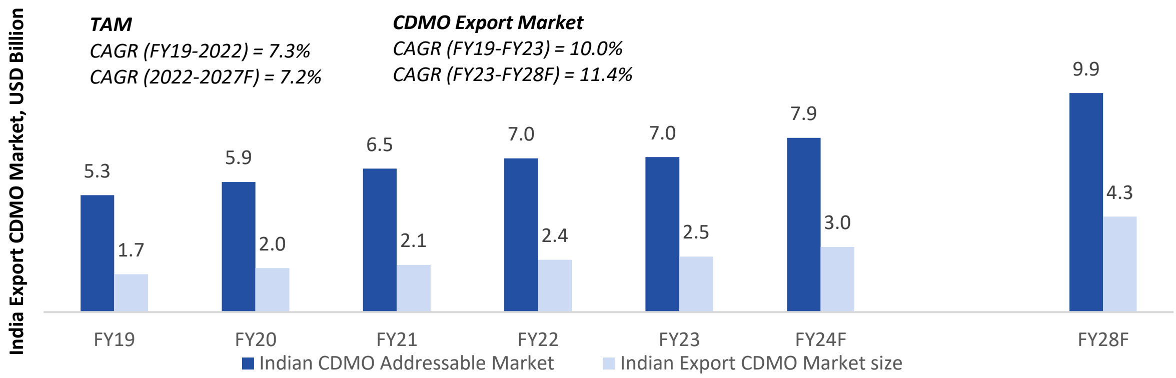
Increased domestic market growth will allow the Indian domestic CDMO market to grow 14.0% between FY23 and FY28, nearly doubling its historical growth rate and achieving 1.5X growth in the overall formulations market.

[30] Company Annual Reports

(xiii) EXPORT CDMO MARKET OVERVIEW

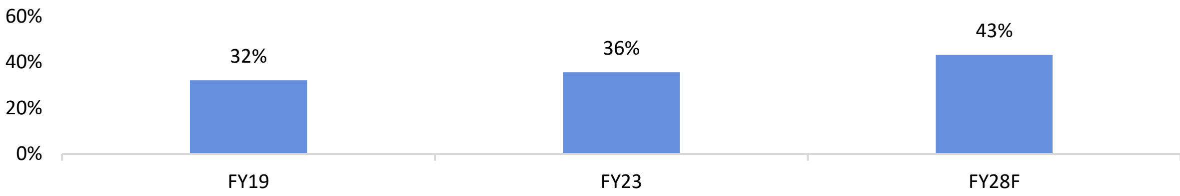
Given India's pivotal role and experience as a global drug supplier, advantageous geographical location, and cost advantages, Indian CDMOs are the perfect gateway to access global markets, including pharmerging and developed markets.

Exhibit 3.11: Indian Export CDMO Market, FY19 - FY28F



Source: Frost & Sullivan

Exhibit 3.12: Outsourcing Penetration in the Indian Export CDMO Market, FY19 - FY28F



Source: Frost & Sullivan

With Indian pharma companies expanding their reach to regulated and semi-regulated global markets, the dependence on CDMOs will increase since CDMOs help manage the risk of supply chains and navigate heterogeneous regulatory environments. It will allow the Indian export CDMO market to jump from USD 2.5 billion to USD 4.3 billion between FY23 and FY28, growing at a CAGR of 11.4%. Growth in the Indian CDMO export market can also provide opportunities for domestic market-focused CDMO players like Akums to expand services to cater to export markets.

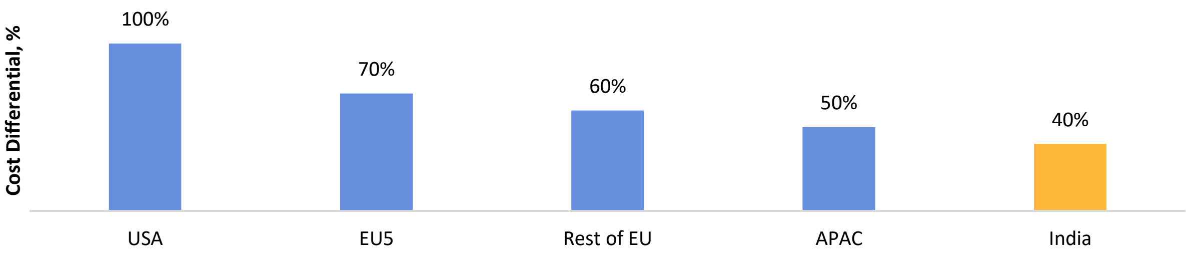
(xiv) INCENTIVES FOR PARTNERING WITH INDIAN CDMOS

India is emerging as the preferred destination for pharma outsourcing; from cost efficiency to quality assurance, Indian CDMOs are becoming the preferred hub for Indian and global pharma sponsors.

In the realm of pharmaceuticals, a notable shift has emerged where both Indian and International pharmaceutical firms are showing a growing inclination toward collaborating with Indian CDMOs. This preference is attributed to several compelling business factors:

- **Cost Efficiency:** In a global environment of increasing price pressure, cost efficiency is more critical now than ever. Indian CDMOs offer substantial cost advantages over their global counterparts, thus setting them apart as preferred partners of choice.

Exhibit 3.13: Cost Advantage of Outsourcing to CDMO, by Region, 2022



Source: Industry KOLs, Frost & Sullivan

Note: Cost differential is indexed against costs incurred in the US. EU5: France, Germany, Italy, Spain, and the United Kingdom. The rest of the EU: The remaining countries apart from EU5 and APAC: Asia Pacific.

- **Expert talent pool:** In April 2023, India became the world's most populous nation, with 1.42 billion residents, surpassing China. India's population is notably youthful, with 65% under 35, positioning it to leverage demographic dividends. According to the World Bank, India's working-age population is rising from 65% in 2012 to 68% in 2022[31]. India's position in the regional Labor Market Category's BER ranking witnessed improvements, moving from 16th place during 2018-2022 to 13th in 2023-2027, surpassing China, Sri Lanka, and Bangladesh[32]. This unique confluence of factors positions India as an ideal outsourcing destination, offering a combination of a burgeoning young populace and a surplus of highly skilled professionals, all available at cost-effective rates.
- **Ease of doing business:** India's industrial landscape has shown consistency and predictability, which is crucial for businesses in long-term planning and risk management. According to the Economist Intelligence Unit (EIU) Business Environment Rankings (BER) for Ease of Doing Business, of the 17 economies in the Asian region, India is ranked 10th in the 2023- 27 forecast period, up from 14th in the 2018-22 period[33].
- **Government policies supporting local pharma manufacturing:** From PLI schemes, offering incentives ranging from INR 20 crore to INR 400 crore to bulk drug park development, the government's push for local formulation and API manufacturing will also support the development of capabilities in complex areas such as fermentation, allowing the manufacturing of even broader portfolio of products.
- **Government's FDI policy for the pharma sector**: The pharmaceutical sector has particularly benefited from improved FDI policies. Indian government allows up to 100% FDI in the pharmaceutical sector[34]. The pharmaceutical sector ranked 8th for FDI inflow, with FDIs approved from April 2000 to June 2023 at a staggering USD 21.55 billion[35]. FDI is allowed through greenfield and brownfield investments following automated or government routes. It is giving a positive thrust to the pharma manufacturing segment in the country.
- **Regulatory-compliant infrastructure:** Indian CDMOs have invested significantly in enhancing their quality control systems, earning certifications from esteemed bodies like the FDA, EMA, WHO, GMP, and ISO, and semi-regulated markets like Saudi Food and Drug Authority (SFDA), Invima, Columbia, Sahpra, and South Africa. India boasts a robust pharmaceutical landscape, with over 3,000 companies operating in 10,500 manufacturing facilities[36]. Indian CDMOs exemplify dedication to high quality and continuous quality improvement. For instance, from FY21 to H1FY24, Akums manufacturing units underwent 31 inspections by regulators and 517 customer audits[37]. Therefore, pharma companies can increasingly benefit from outsourcing to Indian CDMOs to manufacture drugs with heightened quality compliance.
- **Scalability, customization, and flexibility:** Indian CDMOs often possess the infrastructure and capabilities to scale production up or down rapidly, a critical attribute for pharmaceutical companies facing fluctuating demand. Indian CDMOs are known for their adaptability and willingness to collaborate closely with clients, tailoring their services to precise

[31] World Bank Database
[32] Economist Intelligence Unit: India's Manufacturing Moment
[33] Economist Intelligence Unit: India's Manufacturing Moment
[34] Indian Brand Equity Foundation
[35] Invest India
[36] IBEF Industry Report, 2023
[37] Data Provided by Akums

requirements, whether developing a new drug or manufacturing existing products. The manufacturing prowess of Indian CDMOs was displayed during the COVID-19 pandemic. For instance, Akums ramped up the production of Vitamin C and its combination products by 4.4 times to meet a sudden surge in demand during COVID-19, from 312.6 million units in FY19 to 1,361.0 million units in FY21.[38]

- **Access to technology for developing complex formulations with increased solubility and bioavailability:** Companies in drug formulation face challenges such as low solubility and reduced bioavailability of potential drug formulations. About 70%[39] of new medications exhibit low aqueous solubility. Oral administration is preferred for its simplicity, high patient compliance, and cost-effectiveness. However, the bioavailability of oral formulations depends on solubility, dissolution rate, and permeability. Lower solubility necessitates higher doses, leading to increased side effects. Access to cost-effective solubilization technologies is crucial. Indian Contract Development and Manufacturing Organizations (CDMOs) are actively investing in innovative approaches, including particle manipulation, amorphous dispersions, salts/co-crystals, and lipidic vehicles. Akums, for example, has developed Excederm, a novel technology that facilitates better drug penetration through the skin.
- **Diversity in formulation capability:** The global pharmaceutical market is shifting from traditional oral dosage forms to patient-friendly oral formats and more targeted sterile injectables. Indian CDMOs have responded to this demand evolution with immense agility. For instance, Akums offers a range of sterile preparations, including liquid and dry-powder injections, ampoules/vials, pre-filled syringes, and more. Additionally, even in oral formulations, Akums has developed complex forms such as tablet-in-tablet, bilayer sustained-release tablets, and powdered antibiotics for syrup.

(xv) GROWTH DRIVERS FOR INDIAN CDMOS

Capital inflow, US/EU/China+1 sentiment, heightened emphasis on quality, and increased drug demand will drive growth for Indian CDMOs.

- **Emphasis on Quality- Schedule M:** The Central Government of India is addressing concerns about drug manufacturing quality by revising the Schedule M policy to enhance Good Manufacturing Practices (GMP) and implement a unified 'One Quality, One Standard Policy' nationwide. Schedule M, part of the Drugs and Cosmetics Act, outlines stringent guidelines for pharmaceutical manufacturing in India, covering various aspects such as facility maintenance, processes, quality control, safety testing, and more. Pharmaceutical companies in India were given 6 to 12 months to comply with the revised Schedule M guidelines, which became effective on August 2, 2023. Regulatory inspections led to actions against 105 companies as of July 2023[40], including production halts, license cancellations, and warnings. Smaller Contract Development and Manufacturing Organizations (CDMOs) faced shutdown notices, potentially benefiting larger players. While Schedule M is specific to India, its alignment with global GMP standards positions Indian pharmaceutical products competitively in global markets. The Central Drug Standard Control Organization (CDSCO) has intensified efforts since December 2022, conducting 1,300 to 1,400 monthly sample tests. It has led to improved drug quality, with nearly 83[41] drugs identified as 'not of standard quality' in Nov 2022, reduced to 27[42] drugs identified as ‘not of standard quality’ in May 2023.

  Furthermore, the policy was revised on the 28th of December 2023 to improve the GMP requirements further and bring them on par with global standards. The latest revisions include the introduction of a pharmaceutical quality system (PQS), quality risk management (QRM), product quality review (PQR), qualification and validation of equipment, and a computerized storage system for all drug products. CDSCO is committed to sustaining these efforts, expecting to drive the growth of the CDMO industry by upholding quality standards and eliminating companies with compromised quality standards.
- **Capital inflow from investors:** The investment surge highlights the expansion of the Indian Contract Development and Manufacturing Organization (CDMO) landscape. Major pharmaceutical players, either through internal operations or strategic partnerships, increasingly rely on CDMOs to enhance production capacities. India's appeal as an outsourcing destination is amplified by government policies supporting foreign investments, with 100% foreign direct investment approval for greenfield pharmaceutical ventures and 74% for brownfield initiatives. As the table below demonstrates, these measures have led to a significant uptick in private equity (PE) investments. Additionally, given the attractiveness of the Indian CDMO sector, pharmaceutical companies are actively entering through subsidiaries or acquisitions. For example, Strides launched OneSource, an independent CDMO resulting from the amalgamation of Strides' Soft Gel and SteriScience CDMO injectables businesses into the pre-existing entity named Stelis. Increased PE investment and capital flow from

[38] Data Provided by Akums
[39] Bioavailability Enhancement Techniques for Poorly Aqueous Soluble Drugs and Therapeutics, 2022
[40] Union Minister of Chemicals & Fertilizers, Press Release
[41] List of Drugs, Medical Devices and Cosmetics declared as Not of Standard, Nov 2022 Alert
[42] List of Drugs, Medical Devices and Cosmetics declared as Not of Standard, May 2023 Alert

pharma companies are fostering the expansion, scale-up, technological innovation, and competitiveness of Indian CDMOs globally.

Exhibit 3.14: Select PE Investments in Indian CDMOs, 2010-2023		
Target CDMO	**PE Buyer**	**Stake**
Aragen	Goldman Sachs	33%
Rubicon Research	Everstone Capital Management	70%
Accutest Research Labs	Greater Pacific Capital	34%
Fermenta Biotech	Evolvence India Life Sciences Fund	21.05%
Strides Pharma	Apax Partners India Advisers	1.2%
RA Chem Pharma	Advent International (Cohance Lifesciences)	Majority
Piramal Pharma Solutions	The Carlyle Group	20%
Tirupati Medicare	Affirma	Undisclosed
ACME	PAG	Majority
Suven Pharma	Advent (Cohance Lifesciences)	50.1%
Akums	Quadria Capital	15.09%

Source: Company Press Releases, Frost & Sullivan

Note: The list is not exhaustive; Advent International has launched Cohance Lifesciences for its merchant API and CDMO platform comprised of its three portfolio companies- RA Chem Pharma, ZCL Chemicals, and Avra Laboratories

- **State-level policies promoting clusters of Industrial growth:** Several Indian states are proactively encouraging the establishment of manufacturing plants by offering attractive incentives:
  Uttarakhand[43]: This state welcomes Micro, Small, and Medium Enterprises (MSMEs) by providing a spectrum of subsidies. These encompass support for interest charges, stamp duty, capital investment, power usage, and transportation expenses. The magnitude of these incentives may vary depending on the specific location within Uttarakhand. The government has established a dedicated entity known as the 'Investment Promotion & Facilitation Centre (IPFC)' to guide and assist investors and businesses in the setup process. It is a centralized hub where investors and businesses can engage with the Uttarakhand government to address their investment requirements. It operates as a specialized agency with responsibilities including promoting investments, facilitating the investment process, and engaging and consulting with investors and stakeholders. This comprehensive support framework streamlines the establishment of facilities. Notably, in the NCAER N-SIPI Index Survey, Uttarakhand emerged as one of the five states, alongside Gujarat, Assam, Andhra Pradesh, and Himachal Pradesh, where more than 90% of respondents reported minimal challenges in acquiring land. As part of its commitment to the pharmaceutical industry, the state government has inaugurated the 'Pharma City Selaqui Industrial Area' in Dehradun, offering essential infrastructure for pharmaceutical enterprises.
  Punjab[44]: Punjab has introduced various incentives that revolve around land costs and fixed capital investments as outlined in the 2017 'Industry and Business Development Policy.' This policy entails a 100% exemption or reimbursement for land and building purchase or leasing expenses. Furthermore, the government is developing a cutting-edge 'Pharmaceutical Park' featuring shared infrastructure facilities in Bathinda and Fatehgarh Sahib. Beyond these initiatives, Punjab offers a 100% Goods and Services Tax (GST) reimbursement for up to 15 years. There is also a provision for recovering up to 200% of the fixed capital investment and a 100% exemption on electricity duty for up to 15 years. Additionally, businesses in Punjab can avail themselves of a 100% exemption on property tax and subsidies related to employment generation, further enhancing the state's attractiveness to investors.
  Jammu and Kashmir[45]: The New Central Sector Scheme for Industrial Development, introduced by the Department for Promotion of Industry & Internal Trade (DPIIT) on February 19, 2021, aims to bring about a significant transformation in the current industrial landscape of Jammu and Kashmir. The primary goal of this scheme is to enable Jammu and Kashmir to compete at a national level with other highly industrialized states and union territories in India. It seeks to invigorate the growth of industry and services in Jammu and Kashmir, with a strong focus on creating jobs, fostering skill development, and promoting sustainable development. It will be achieved by attracting fresh investments and supporting existing ones. The scheme is set to run from 2021-22 to 2036-37, with a total financial allocation of INR 28,400 crore. It includes four distinct types of incentives: capital investment incentive, capital interest subsidy, GST-linked incentive, and working capital interest subsidy. These state-specific incentives are

43 Invest India, Uttarakhand
44 Invest India, Punjab
45 Invest India, Jammu and Kashmir

instrumental in promoting industrial growth and economic development by simplifying the process of establishing manufacturing units and offering financial advantages to enterprises, ultimately driving investments and industrial expansion in the respective regions.

Himachal Pradesh[46]: Himachal Pradesh is a power surplus state with nearly a quarter of India's harnessable hydropower potential. The Baddi-Barotiwala-Nalagarh industrial belt has become a vital manufacturing hub, earning recognition as the "Manchester of Pharma in India" and creating numerous business opportunities. With seven pharma clusters, one of the highest in India, the state has inaugurated a new bulk drug park, offering investors convenient access to standard testing and infrastructure facilities. This initiative aims to produce raw materials for medicine manufacturing within the state, showcasing Himachal Pradesh's commitment to fostering a conducive business environment with positive government incentives.

(xvi) INDIAN CDMO COMPETITIVE LANDSCAPE[47]

Indian CDMO is a fragmented and unorganized market characterized by several small-scale, privately owned businesses and only a handful of large-scale companies dominating the market.

CDMOs are consolidating to achieve large production capacities, broad portfolio capabilities, and wide service portfolios to meet an increase in outsourcing demand.

Like the global CDMO market, the Indian CDMO market is highly fragmented and, similar to the global market, it is also consolidating. Trends of consolidation are evident in the global CDMO market with high-profile acquisitions such as Cambrex Corporation's acquisition of Snapdragon Chemistry, Inc. and Catalent, Inc.'s (Catalent) acquisition of Metric Contract Services, to name a few. M&A allows CDMOs to gain novel capabilities, enhance their services, and offer end-to-end solutions to customers. Pharma companies typically prefer a one-stop-shop solution for all their outsourcing needs to maintain homogeneity in quality, avoid issues with tech transfer from multiple parties, and ease of operations.

While global companies are consolidating to offer end-to-end services, M&A in the Indian landscape is more geared toward capacity expansion to meet high-volume demands in the country. For instance, Akums acquired a facility from Ankur Drugs and Pharma Ltd. to increase the production of oral tablets and liquids. It also acquired Parabolic Drugs Ltd. to augment the production capacity for APIs. Likewise, Synokem Pharmaceuticals Ltd. (Synokem Pharma), backed by private equity firm TA Associates, has acquired a 74% stake in Nitin Lifesciences Limited to access injectable capabilities. Some globally focused CDMOs, such as Piramal Pharma Solutions, have aimed acquisitions (Yapan Bio Pvt. Ltd.) at portfolio diversification into biologics.

A large number of Indian CDMOs are privately owned, considerably smaller in scale, and remain API-focused. Amongst the assessed CDMOs, Akums is the largest domestic market-focused CDMO in terms of revenues, production capacities, and clients served in FY23. Akums is among the largest domestic market-focused Indian CDMOs on a revenue basis serving IPM, with a market share of 9.3% by value in FY23 in the total addressable Indian domestic CDMO market and 8.8% by volume in the total IPM market in FY23. In the Indian domestic CDMO market, the company had a market share of 29.4% by value in FY23, which increased from 26.7% in FY21.

The company has secured a significant market share due to its extensive installed capacities, diverse expertise in formulation, and widespread presence across the value chain. It has allowed the company to serve 1,543 clients across key Indian, MNC, and wellness companies spanning 60 countries as of FY23.

Akums is the largest CDMO by production capacity, serving Indian Pharma Markets in FY 23 (among assessed peers). It has 10 manufacturing plants with a total formulations production capacity of 49.21 billion units annually (as of September 2023), accounting for 4.5x of its second-largest peer by capacity (among assessed peers). Additionally, Akums is expected to add two manufacturing units for the CDMO business.

[46] Invest India, Himachal Pradesh

[47] Note: For the purpose of this study, a select number of publicly listed, domestic-market-focused, and formulation-focused CDMOs are analyzed.

Exhibit 3.15: Operational Analysis of Select Indian CDMOs, India, FY23				
Name	**HQ**	**No. of Mfg. Facilities**	**Facility Locations**	**Annual Production Capacity/ Capacity Utilization**
Tirupati Medicare	Himachal Pradesh, India	3*	HP, India	**Total Formulations: 2.67 billion** 2) Tablets: 1803.2 million 3) Capsules: 720 million 4) Oral Liquids: 132.1 million 5) Oral Power: 47.7K Ton 6) Ointments and Creams: 6.8 million 7) Oils: 6.8 million units
Innova Captab Ltd. (Innova Captab)	Maharashtra, India	3	HP, India	**Total Formulations: 10.87 billion** 1) Tablets: 8192 million 2) Capsules: 2473 million 3) Ointments: 23 million 4) Dry Powder Injections: 61 million 5) Dry Syrup: 54 million 6) Oral Liquids: 71 million
Synokem Pharma	Delhi, India	3	UK, India	**Total Formulations: 10.96 billion** 1) Tablets: 4480 million 2) Capsules: 567 million 3) Oral Liquids: 4800 million 4) Ointment: 1080 million 5) Gel: 14.6 million 1) Sachets 14.6 million
Akums	**Delhi, India**	**10****	**Pan India**	**Total Formulations: 49.21 billion***** 1) Oral Solids: 47.9 billion 2) Sterile Preparations: 744.2 million 3) Liquids: 417.6 million 4) External: 158.4 million

Source: Annual Reports, Company Websites as accessed on December 02, 2023, DRHPs, Frost & Sullivan

*Note: The CDMO selection is based on a focus on serving FDF domestic markets and the extent of availability of information. For instance, in FY 23, 69% of Piramal Pharma Solution's revenues were derived from regulated markets (NA 45%, Europe 20%, Japan 4%). In comparison, India contributed only 20%, whereas India accounted for 91% of Innova Captab's total revenue in FY23. *Inferred. ** Akums is expected to add two manufacturing units for the CDMO business. *** Installed capacity as of September 2023; capacity as of FY23 was 49.20 billion units.*

Indian CDMOs are enhancing capabilities in developing patient-centric dosage solutions, novel drug delivery systems (NDDS), and innovative formulations to improve efficacy and enhance drug action. Moreover, Indian CDMOs are developing specialized expertise to cater to an increasing number of complex pipeline and commercialized products such as corticosteroid hormones, thyroid hormones, somatostatin analogs, and reproductive hormones (Androgen, Estrogen, Progestin, Anti-androgens, Anti-estrogens, Aromatase inhibitors) exemplify this trend. Among the assessed Indian CDMOs, only Akums have capabilities for hormones and steroids, while Synokem offers only hormones. The level of expertise and expanse does differ across CDMOs. Additionally, among the assessed Indian CDMOs and dosage forms, Akums stands out for its widest range of dosage forms offerings (such as tablets, capsules, liquid orals, vials, ampoules, blow-filled seals, topical preparations, eye drops, dry powder injections, gummies, among others) with presence across 85.3%% of the dosage forms (29 out of 34), as opposed to other peers, who have a presence in 8.6% of dosage forms on average.

Moreover, Akums' dosage form offerings are comparable to global leaders like Catalent, Recipharm AB (Recipharm), and Lonza Group Ltd. (Lonza). Among the assessed Indian CDMOs, only Akums offer oral dosage forms of gummies, chewables, and softgels, to name a few, which global CDMOs such as Catalent and Procaps Group, S.A. (Procaps Group) also offer. Additionally, since the company's inception (till September 2023), Akums has manufactured over 4,000 unique formulations across 60 dosage forms. Akums also offers innovative forms like sustained or modified-release tablets, which have gained massive popularity within oral solids and are also offered by Lonza and Recipharm.

Exhibit 3.16: Dosage Forms Analysis of Select Indian CDMOs, FY23					
Dosage Forms		**Tirupati Medicare**	**Innova Captab**	**Synokem Pharma**	**Akums**
	Presence in the total number of dosage forms (34)	12	6	8	29
OL	**Dry syrups**				
OL	**Solutions, suspension**				
OL	**Liquid Orals, Syrups**				
OS	**Tablets**				
OS	**Capsules**				
OS	**Lozenges**				
OS	**Gummies/ Jellies**				
OS	**Chewable Tablets**				
OS	**Orally Disintegrating tablets/powder**				
OS	**Tablet-in-Tablet**				
OS	**Bi-layered tablet**				
OS	**Controlled/ Modified Release**				
OS	**Powders**				
OS	**Granules**				
OS	**Effervescent Tablets**				
OS	**Soft Gels**				
PR	**Emulsions**				
PR	**Dry Powder Injections**				
PR	**Pre-Filled Syringe**				
PR	**Injectables – Vials**				
PR	**Injectables – Ampoules**				
PR	**Injectables – Lyophilized**				
PR	**Injectables – Cartridge**				
PR	**Injectables/Sterile Prep – Blow-filled Seal/Respules**				
PR	**Nanoparticles and Liposomes**				
TP	**Ointments**				
TP	**Creams**				
TP	**Gels**				
TP	**Sprays/Aerosols**				
TP	**Eye Drops**				
IH	**Pressurized metered dose inhaler**				
IH	**Dry powder inhaler**				
IH	**Nebulizer**				
IH	**Nasal aerosols, Spray and Powders**				

Source: Annual Reports, DRHP, Company Websites as accessed on January 05, 2023, Frost & Sullivan

Indian CDMOs are also increasingly investing in R&D to keep up with the rapid innovation turnaround and to be able to cater to a wide gamut of pharma sponsors. ANDA and patent filings, DCGI and FSSAI approvals, etc., demonstrate a CDMO's R&D strength and capabilities to develop new dosage forms. While Indian CDMOs have collectively ramped up their R&D investments, companies like Akums stand out among their peers with R&D spend of 2.7% of its revenue in FY23.

Today, Akums has four R&D centers, three dedicated to CDMO and formulations businesses and one at Barwala, Haridwar, for API business. API R&D center features a small volume, highly potent API manufacturing unit.

R&D focus has allowed Akums to win 69 DCGI approvals in FY23, nearly 2.7 times the number of approvals by three of its peers combined for FY23.

Exhibit 3.17: Comparison of R&D Capabilities of Select Indian CDMOs, FY23		
Company	**R&D Centres**	**R&D capabilities**
Tirupati Medicare	1	No DCGI approvals in FY23
Synokem Pharma	Not Available	22 DCGI approvals in FY23
Innova Captab	1	4 DCGI approvals in FY23
Akums[48]	4	69 DCGI approvals in FY23 901 DCGI approvals as of 30th Sept 2023 5 patents

Source: Annual Reports, DRHP, Company Websites as accessed on December 02, 2023, DCGI Data; Frost & Sullivan

Akums' market leadership among assessed peers is also evident in its substantially higher revenue. Demonstrably, Akums had a total revenue of INR 3,700.9 crore, while its two closest competitors (Tirupati and Innova Captab) had a cumulative revenue of INR 1,905.8 crore in FY23. This large scale in capacity, formulation capability, and R&D competency will allow Akums to extract a large proportion of the segment growth as pharma sponsors look for companies with scale to ensure a reliable supply of large quantities, a track record of quality, along with the ability to offer continuous innovation to stay up-to-date with market demands.

Exhibit 3.20: Financial Analysis of Select Indian CDMOs, FY23, INR Million				
Parameter/ Company	**Tirupati Medicare (FY23)**	**Innova Captab (FY23)**	**Synokem Pharma (FY22)**	**Akums (FY23) (As per Audited RFS)**
Operating Revenue	9,691.01	9,263.80	6,856.54	36,548.20
Total Revenue	9,702.51	9,355.78	6,909.02	37,009.25
Total Revenue CAGR FY19 – FY23	15.93%	27.32%	19.89%	16.28%
EBITDA	886.93	1,228.45	1,135.92	3,840.55
EBIT	650.85	1,117.68	1,064.14	2,712.46
PAT	407.45	679.54	800.26	978.17
PAT CAGR FY19 – FY23	27.35%	35.98%	35.61%	9.50%
ROCE	15.17%	22.68%	33.69%	24.60%
Return on Equity	10.32%	24.58%	23.66%	13.52%
Return on Net Worth	10.29%	24.58%	23.66%	13.23%
EBITDA Margin	9.14%	13.13%	16.44%	10.38%
EBIT Margin	6.71%	11.95%	15.40%	7.33%
PAT Margin	4.20%	7.26%	11.58%	2.64%
Interest Coverage	6.53	5.60	217.30	5.87
R&D Expense/Operating Revenue	-	1.19%	1.10%	2.68%
Fixed Asset Turnover Ratio	3.71	5.37	8.65	3.41
Debt/Equity Ratio	0.10	0.85	0.04	0.75
NAV/share (INR)	2,897.75	57.61	674.96	50.13
EPS diluted (INR)	121.83	14.16	160.00	6.63
EPS basic (INR)	299.96	14.16	160.00	6.63
Face Value (INR)	10.00	10.00	10.00	2.00
Adjusted EBITDA	-	-	-	3,400.86
Adjusted EBITDA Margin	-	-	-	9.19%
Adjusted EBIT	-	-	-	2,272.77
Adjusted EBIT Margin	-	-	-	6.14%
Adjusted ROE	-	-	-	3.11%
Adjusted ROCE	-	-	-	10.77%

[48] Data provided by Akums

Source: Annual Reports, DRHP, MCA, Frost & Sullivan

Note: "-" indicates Not Available; CDMO selection for analysis includes API and FDF CDMOs and is influenced by data availability and regional focus. For Synokem Pharma - the CAGR is calculated from FY20 to FY22. Tirupati's CAGR is calculated from FY20 to FY23. RFS: Restated Financial Statements. Adjusted EBIT refers to restated profit/ (loss) before share of profit/ (loss) of associates and exceptional items for the year/period, plus finance costs and fair value changes to financial instruments. Adjusted EBIT margin is the percentage margin derived by dividing EBIT by total income. Adjusted EBITDA refers to restated profit for the year/period plus tax expenses, finance costs, depreciation and amortization expenses, fair value changes to financial instruments, share of profit/ (loss) of an associate, and exceptional items. Adjusted EBITDA margin refers to the percentage margin derived by dividing Adjusted EBITDA by total income. Adjusted Return on equity is calculated by dividing profit after tax for the year/period plus fair value changes to the financial instrument by total equity plus put option liability. Adjusted Return on Capital Employed is calculated as EBIT divided by capital employed (i.e., the sum of (i) total equity, (ii) net debt, (iii) put option liability). Net debt is calculated as total debt (including both current and non-current borrowings) less cash and cash equivalent, bank balances other than cash and cash equivalents, and fixed deposits with remaining maturity of more than 12 months.

The attractiveness and growth potential of the Indian CDMO market are enticing new and unconventional companies. Yet, achieving scale and cutting-edge technology is imperative for client acquisition and retention, requiring substantial capital investments, thus posing barriers to entry, scalability, and growth.

The Indian CDMO segment's appeal is undeniable and has attracted unconventional companies to foray into the segment. However, high barriers to entry curtail the number of new entrants and the scalability of incumbents. Furthermore, the significant size and operations of existing CDMOs add to new entrants' challenges in establishing themselves in a highly competitive market. Some of the barriers to entry are discussed below.

- **Highly skilled/ experienced workforce**: Advancements in novel formulations, innovative dosage forms, and complex generics have increased demand for a skilled workforce with scientific expertise and experienced support staff for data management and IT requirements. Furthermore, rapid advancements in the field and swift technological evolution in the industry led to a shortage of skilled staff adept in the scientific skillsets of a rapidly changing technological landscape. It causes a higher barrier to enter the CDMO business.
- **High Capex**: A pharmaceutical manufacturing facility with all the necessary equipment, compliances, and regulatory measures can be highly capital-intensive. With the rising cost of capital (interest rates on loans), achieving viable returns on investments is increasingly difficult. Hence, to enter the CDMO business, large funds for capital investments can be a hindrance and a barrier to entering the market.
- **Increased regulatory approvals for varied markets:** The Government of India has introduced several reforms (Schedule M) to standardize and enhance quality controls and mandate good manufacturing practices nationwide. New entrants into the industry will have to bear additional costs to meet these requirements from inception, whereas existing players were given time to build compliance. Additionally, CDMOs must register their products with various international agencies in regulated and semi-regulated markets to enter international markets. These regulations and registrations entail the global inspection of pharmaceutical manufacturers to ensure that the documents submitted accurately reflect real operational conditions. Regulatory agencies are also increasingly imposing strict rules regarding the control of components and the containers and closures of drug products, production, and process management, as well as the maintenance of records and the generation of reports. These regulations address contamination control, deviations from written procedures, yield calculations, component testing, and approval. The regulatory authorities have also tightened the stringency to improve drug quality in recent years. With a rise in regulatory compliance pressure, it can become challenging for new entrants to meet the regulatory compliance measures, increasing the barrier to entry.
- **Customer Relations:** Multiple CDMOs with experience of >10-15 years have outstanding track records and long-standing strong partnerships with key pharma players. In a highly competitive environment with established players, it becomes increasingly difficult for new CDMOs to develop trust for excellent on-time services among clients and to enter new accounts.
- **Competing with top large-scale CDMOs providing end-to-end services:** Newer players with limited financial resources are often limited to offering a subset of services, while larger established and experienced CDMOs have been in the industry long enough and have gained the experience and the financial capabilities to expand their service offering across the drug development and manufacturing spectrum. Pharma companies prefer to partner with a single CDMO with end-to-end solutions for all their outsourcing needs to gain cost benefits and maintain homogeneity in the

quality standards across their products. For new entrants, building a full-fledged CDMO with all service offerings under one roof poses multiple challenges and increases the barrier to entering the CDMO market.

- **R&D and IP generation:** Established CDMOs invest in R&D capabilities with a dedicated team of scientists to work on innovative dosage forms, complex generics, and new molecules. R&D efforts and IP generation require high investments, resources, and long timelines to develop new technologies, drug delivery systems, novel molecules, and more. Pharma companies look for strong R&D capabilities in their outsourcing partners to support complex drug manufacturing requirements and the development of novel molecules.
- **Cost per unit:** The cost per unit is a substantial barrier to entry for new players in the CDMO industry. Well-established CDMOs benefit from a larger business scale and higher production volumes, resulting in a more economical cost per unit compared to newcomers with a smaller customer base and lower production volumes.

(i) CRITICAL SUCCESS FACTORS FOR INDIAN CDMOS

To grow to even larger scales and compete with global CDMOs, Indian CDMOs will have to focus on quality, offer scalability-flexibility-competency, and be able to serve across larger parts of the pharma value chain.

Similar to other pharmaceutical sectors, certain risks and challenges are prevalent in the Indian CDMO industry. For instance, rapidly changing regulations, increased stringency for quality compliance, challenges in importing raw materials due to geopolitical tensions, and rising costs due to a global increase in inflation, to name a few. However, certain critical success factors can aid Indian CDMOs in navigating through these challenges, emerging as true and long-term partners for pharma sponsors and competing with global CDMOs, as discussed below.

- **Emphasis on quality and compliance**: Regulatory bodies across the globe are intensifying their scrutiny to ensure the delivery of high-quality pharmaceuticals within their respective jurisdictions. For example, the Directorate General of Foreign Trade (DGFT) has instituted a requirement for quality assessments at central labs before the export of drugs, enhancing trust in Indian pharmaceutical exports. Under this directive, drugs intended for export will undergo stringent testing at designated laboratories sanctioned by the central government, effective June 1, 2023. Since CDMOs cater to clients across diverse geographical regions, stringent quality standards must be upheld. A commendable track record in successfully navigating regulatory audits with favorable outcomes and a higher number of accreditations from regulatory agencies can allow Indian CDMOs to cater to a larger number of clients globally. For example, Akums has manufacturing facilities accredited by multiple global regulatory authorities like EU-GMP, WHO-GMP, and US NSF and is present across 60 different countries with its brands.
- **Full-Service offerings**: CDMOs are consolidating and becoming one-stop shops that offer end-to-end services. These services range from the late stages of drug discovery to development and commercial manufacturing. Moreover, a qualified CDMO should be able to manage the supply chain end-to-end, including inventory, storage, and other logistic needs. In addition to offering integrated services to sponsors, CDMOs must implement new business models based on risk-sharing, particularly with smaller pharma companies.
- **Extensive operational capacities for diverse drug types, delivery models, and dosage forms**: A CDMO should demonstrate proficiency across multiple drug modalities and complexity such as products with complex active ingredients (e.g., peptides, polymeric compounds); complex formulations (e.g., liposomes, colloids); complex routes of delivery (e.g., locally acting drugs, complex ophthalmological products and innovative dosage forms that are formulated as suspensions, emulsions, or gels); or complex dosage forms (e.g., implantable, transdermal, metered dose inhalers, extended-release injectables). The capability to innovate and stay abreast with ever-evolving pharma requirements enhances the CDMO's value proposition.
- **Operational capabilities**: CDMOs need to be able to offer services for all types of drug substances and project timelines. The drugs now have a higher molecular weight, a larger number of chiral centers, or a stronger toxicity profile, requiring additional specialized processes to manage these products. At the same time, the volume requirement of drugs also fluctuates based on the nature of the drugs and the end market use and can be as high as 10 tons a year to less than half a ton in a year. CDMOs must offer agility in adapting to different volume needs and scaling up operations as needed. Additionally, CDMOs like Akums, which manufacture APIs along with formulations, can integrate backward and reap higher cost benefits for raw materials while ensuring a reliable and timely supply to markets.
- **Investments in continuous improvement and unique capabilities**: CDMOs must continuously improve and enhance their capabilities and infrastructure to stay ahead of the competition curve and effectively serve pharma sponsors with their dynamically changing needs. For instance, increased use of highly potent compounds requires CDMOs to invest in improved containment, process automation, closed-loop product transfers between processes, and skilled labor to

handle potent compounds. CDMOs must also invest in manufacturing technology upgrades such as continuous manufacturing and embed digital solutions throughout the workflow to deliver higher profitability for partners.

- **Delivery track record**: CDMOs need robust quality systems and experience working with multiple sponsors simultaneously and delivering projects on time. CDMOs need mature systems to prevent quality, logistics, regulations, and product and process IP issues, mainly when operations are scattered across geographies. Parallel to this, CDMOs also need a solid and reliable network of KSM and Intermediate suppliers (in case it is not backward integrated) to keep on track with the timeline and associated milestones, but more importantly, to prevent any fallout from contamination and impurities. A CDMO with a successful delivery track record can build a long-term relationship with pharma sponsors.
- **Robust Intellectual Property (IP) Protection**: India has made substantial strides in a landscape where IP plays a pivotal role. The World Intellectual Property Organization reports India's leadership in the number of IPs filed in 2022, constituting 18.5% of the published applications among large and middle-income countries. India's share of pharmaceutical IP filings exhibited notable growth, rising from 4.1% in 2019 to 4.6% in 2020, which catapulted India into the top ten IP rankings, securing the 9th position in the total number of IPs filed. Additionally, India has demonstrated remarkable progress in the Global Innovation Index, ascending from 48th place in 2020 to 40th place in 2022 among 132 economies. With this upsurge in patent filings, CDMOs must ensure that stringent confidentiality agreements are in place to govern the management of IP, trademarks, and patents.
- **R&D expertise to drive formulation innovation**: Robust R&D capabilities within a CDMO are indispensable. These capabilities empower the development of novel formulations and improvements to existing drugs, ultimately impacting sales positively. A heightened number of patent filings and approvals from esteemed regulatory bodies such as the Food Safety and Standards Authority of India (FSSAI) are tangible indicators of a CDMO's strength in R&D capabilities.
- **Technical proficiency in manufacturing complex products**: CDMOs with expertise in the intricate chemical processes such as associated with beta-lactams (cephalosporin and penem), heterocyclic chemistry, carbohydrates chemistry, steroids, peptides, and stereochemistry are poised to excel in the industry. Moreover, proficiency in the development of Highly Potent Active Pharmaceutical Ingredients (HPAPIs) and Antibody-Drug Conjugates (ADCs), which are gaining prominence due to their targeted response and enhanced efficacy, is an imperative skill set for CDMOs striving for success in the market. Currently, the Indian market has a relatively limited number of API suppliers with competencies in complex APIs.
- **Capacity and scalability:** Upcoming patent expirations for novel small molecule drugs will increase demand for generic manufacturing, leading to increased demand for CDMO services. The larger CDMOs in the country are working towards capacity expansion by building capabilities or acquiring companies, thereby providing customers with large manufacturing capacities that smaller competitors cannot match. Hence, offering large manufacturing capacities similar to the bigger players can be a large barrier to entering the market, and it is a key success factor for larger and established CDMOs.
- **Commitment to sustainability:** Sustainability initiatives, including waste reduction, energy consumption minimization, and a reduction in carbon footprint, have assumed pivotal significance within the pharmaceutical industry. Collaborating with CDMOs that align their manufacturing practices with sustainability objectives to reduce carbon emissions allows pharmaceutical companies to benefit from these environmentally responsible initiatives.
- **Increased Client De-Concentration and Diversification:** Some CDMOs derisk the continuity of revenues by reducing customer concentration and enlarging the overall pool of clients. While the concentration varies across Indian CDMOs, for some of the assessed CDMOs, it ranges from 30%-70%. Some companies are striving to lower this concentration. For instance, in FY23, the top 10 customers for Akums accounted for 39% of the revenue, down from 41% in FY22. In addition to de-concentration, CDMOs, particularly Indian CDMOs, are diversifying their client base. As the India Pharma Market is rapidly evolving with the emergence of direct-to-consumer companies, e-commerce entities, and multinational and regional pharmaceutical firms, leading to increased competition in the market, it is imperative for CDMOs to focus on client diversity to achieve revenue growth.

Exhibit 3.21: Client Concentration: Contribution of Top 10 Customers to Revenue	
Tirupati Medicare	FY 21= ~65%.
Innova Captab	FY 23= 56% (of CDMO revenue) FY 22= 49% (of CDMO revenue)
Synokem Pharma	FY22= 30-35%, the largest customer accounted for 5%

Exhibit 3.21: Client Concentration: Contribution of Top 10 Customers to Revenue	
Akums	FY23= 39% FY22 = 41%

Source: Company Websites as accessed on December 02, 2023, Annual Reports, Frost & Sullivan

(ii) GLOBAL AND REGIONAL SMALL MOLECULE CDMO COMPETITIVE LANDSCAPE

Global and regional CDMOs are diversifying their innovation, product, and geographical portfolios to remain competitive; select Indian CDMOs can attain revenues, profitability, and client base similar to their global counterparts.

The global CDMO market is consolidating to achieve a larger operational scale, diversifying service portfolios to include innovative dosage forms, and offering a wide range of development and manufacturing services across small and large molecules. Unlike most Indian CDMOs, global and regional CDMOs usually cater to global markets. For example, China-HQed Pharmaron Beijing Co. Ltd. derived 23% of its revenue from small molecules CDMO business, with only 14% of its total revenue generated within China in 2022. Or they function as segments within larger pharmaceutical companies, contributing a smaller revenue share to CDMO. For instance, Cosmos Pharmaceuticals in Ireland derives approximately 12% of its revenue from CDMO operations. However, akin to Indian CDMOs, many global entities are privately owned, such as Corden Pharma GmbH in Germany and Neo Pharma LLC in the UAE. Compared to regional CDMOs, global ones typically operate at significantly larger scales; for instance, Catalent, a global CDMO, has an annual production capacity of 70.00 billion units, while a regional CDMO like Aenova Group has an annual production capacity of 34.75 billion, and some smaller companies like Bora Pharmaceuticals Co., Ltd. (Bora Pharma) have a capacity of 2.7 billion. This scale advantage positions global CDMOs as formidable players in the industry. Among these global and regional giants, Indian CDMOs like Akums are also beginning to make a mark and have achieved a capacity of 49.21 billion units annually as of September 2023.

Exhibit 3.22: Operational Analysis of Select Global and Regional CDMOs, 2023

Name	HQ	No. of Mfg. Facilities	Facility Locations	Annual Production Capacity/ Capacity Utilization
Catalent	New Jersey, US	50	Global	**Total Formulations: 70.00 billion** 1) 8000 products: 70 billion doses
Lonza	Basel, Switzerland	35	Global	**Total Formulations: 260.00 billion** 1) ~260 billion capsule capacity in 2022 2) API: 2,500 Metric Tons
Patheon Pharma Services	Massachusetts, US	30	Global	**Total Formulations: 10.17 to 12.17 billion** 1) Soft gels: 10 billion to 12 billion 2) Sterile Liquid and Lyophilized vials: >172 million (in 2022)
Bora Pharma	Taipei, Taiwan	6	Taiwan & Canada	**Total Formulations: 2.75 billion** 1) Bulk tablets: 2 billion 2) Capsules: 690 million 3) Semi-solid tubes (Creams, gels, Ointments) 30 million 4) Nasal Spray Bottles: 29 million
Procaps Group	Colombia, South America	8	US & South America	**Total Formulations: 9.13 billion** 1) Soft Gels/Gummies: 6.5 billion 2) Tablets/Capsules: 1.9 billion 3) Hormonal Drugs: 684 million 4) Injectables: 138 million
Aenova Group	Starnberg, Germany	15	14 in EU, 1 in US, 10 sites are FDA approved	**Total Formulations: 34.75 billion** 1) Tablets/Capsules: 22 billion 2) Blisters: 1.4 billion 3) Soft gel Capsules: 11 billion 4) Semi-solids/Liquids: 350 million
Nipro Pharma Corporation	Osaka, Japan	6	1 Vietnam & 5 Japan	**Total Formulations: >16.12 billion** 1) Ampoules and Vials: >740 million

Exhibit 3.22: Operational Analysis of Select Global and Regional CDMOs, 2023				
Name	**HQ**	**No. of Mfg. Facilities**	**Facility Locations**	**Annual Production Capacity/ Capacity Utilization**
				2) Prefilled Syringes: >160 million 3) Tablets: >14.8 billion 4) Capsules: >400 million 5) Granules, Dry Syrups: >610 tons 6) Syrups: >460,000 bottles 7) Ointments and Creams: >16.3 million tubes
Akums	**Delhi, India**	**10***	**Pan India**	**Total Formulations: 49.21 billion** 1) Oral Solids: 47.9 billion 2) Sterile Preparations: 744.2 million 3) Liquids: 417.6 million 4) External: 158.4 million

Source: Company Websites as accessed on December 02, 2023, Annual Reports, Frost & Sullivan

*Note: * Akums is expected to add two additional manufacturing units for the CDMO business.*

Large-scale operations and resources allow global CDMOs to serve a large pool of customers. For instance, Lonza has 7,000 customers worldwide. Regional CDMOs like Procaps Group, in line with smaller installed capacities, serve 120 customers. Some Indian CDMOs, like Akums, on the other hand, have a larger customer base (1,543 customers) even when compared to global leaders like Catalent (1,200 customers).

Table 3.23: Presence in Key Markets of Select Global and Regional CDMOs, 2023	
Name	**No. of Customers**
Catalent	1200
Lonza	7000
Patheon Pharma Services	700
Procaps Group	120
Aenova Group	450
Akums	1543

Source: Company Websites as accessed on December 02, 2023, Annual Reports, Frost & Sullivan

Note: Data not available for Bora Pharma and Nipro Pharma

Global CDMOs focus strongly on R&D and innovation and hold strong leadership across markets for innovative drugs, complex formulations, and novel drug delivery systems. For instance, Catalent has filed 1400 patent applications and assisted in 50% of the FDA approvals in the past 10 years. Smaller regional players are trying to adopt similar trends and investing larger proportions of revenue in R&D; for instance, Procaps Group has filed 84 patents and spent nearly 4.4% of its revenue on R&D in 2023. R&D-focused Indian CDMOs can also expand their scope of services to cater to the innovator drug market eventually.

Table 3.24: R&D Capabilities of Select Global and Regional CDMOs, 2023		
Company	**R&D Centres**	**R&D capabilities**
Catalent	Not Available	1400 patent applications Assisted 50% of the FDA approvals in the last 10 years
Lonza	Not Available	Trademark filings: 2,605 Active patent families: 344 Ingredient patent families: 40
Patheon Pharma Services	Not Available	Supported 135 regulatory approvals (NDAs/BLAs) over the last five years (2018-2022)
Procaps Group	Not Available	84 patents (of which 53 are pending and 31 are already granted in different countries)

Table 3.24: R&D Capabilities of Select Global and Regional CDMOs, 2023		
Akums[49]	4	69 DCGI approvals in FY23 901 DCGI approvals as of 30th Sept 2023 5 patents

Source: Company Website, Annual Reports, Frost & Sullivan

Note: Data as on December 02, 2023; Data not available for Bora Pharma, Aenova Group, and Nipro Pharma

Years of operations, large-scale consolidation, and focus on global markets have allowed global CDMOs to achieve the revenue scale and growth demonstrated below. As Indian CDMOs achieve similar scales and expand the market focus from domestic to semi-regulated to regulated, they, too, will enjoy similar or higher growth rates and profitability.

Exhibit 3.25: Financial Analysis of Select Global and Regional CDMOs, CY 2022/FY23, USD Million

Parameter/ Company	Catalent	Lonza	TFS	Bora Pharma	Procaps Group	Aenova Group	Nipro Pharma	Akums (As per RFS)
Operating Revenue	4,263.00	6,730.80	44,915.00	343.63	409.92	803.59	4,042.73	444.73
Total Revenue	4,256.00	6,730.80	44,915.00	340.94	409.92	813.03	4,098.76	450.34
Total Revenue CAGR (18 – 22)	14.05%	4.59%	16.53%	60.09%	8.07%	(2.01)%	2.42%	11.46%
EBITDA	266.00	2,321.11	12,666.00	74.46	107.52	92.89	584.58	46.71
EBIT	(156.00)	1,676.48	8,389.00	63.81	90.68	4.93	230.68	32.98
PAT	(256.00)	1,317.39	6,960.00	45.89	42.54	(49.55)	123.10	11.90
PAT CAGR (18 – 22)	-	23.22%	24.06%	33.59%	-	-	1.55%	4.96%
ROCE	(1.70)%	13.41%	11.98%	18.22%	37.62%	0.89%	5.59%	24.58%
Return on Equity	(5.55)%	11.42%	15.81%	27.26%	-	-	8.95%	13.52%
Return on Net Worth	(5.55)%	11.49%	15.80%	30.74%	-	-	7.99%	13.23%
EBITDA Margin	6.25%	34.48%	28.20%	21.84%	26.23%	11.42%	14.26%	10.37%
EBIT Margin	(3.67)%	24.91%	18.68%	18.72%	22.12%	0.61%	5.63%	7.32%
PAT Margin	(6.02)%	19.57%	15.50%	13.46%	10.38%	(9.09)%	3.00%	2.64%
Interest Coverage	(0.84)	14.90	11.56	17.92	2.39	0.09	6.83	5.86
R&D Expense/Operating Revenue	0.42%	3.12%	3.28%	1.23%	4.42%	-	3.79%	2.68%
Fixed Asset Turnover Ratio	0.91	0.75	1.68	1.19	3.86	1.46	1.21	3.41
Debt/ Equity ratio	1.05	0.21	0.78	1.23	-	-	2.70	0.75
NAV/share (USD)	25.62	153.65	99.80	1.91	(0.01)	-	8.02	0.61
EPS diluted (USD)	(1.42)	17.67	17.63	0.33	420.00	-	0.59	0.08
EPS basic (USD)	(1.42)	17.71	23.24	0.36	420.00	-	0.63	0.08
Face Value (USD)	0.01	1.08	1.00	0.33	0.01	-	-	0.02

Source: Annual Reports, Frost & Sullivan

Note: Patheon Pharma Services is a Thermo Fisher Scientific (TFS) subsidiary, and the financial analysis is provided for TFS. CAGR for Procaps Group is from 2019 to 2022. The above values are indicative and may vary from true values since the accounting standards differ across regions.

[49] Data Provided by Akums/ DCGI

APPENDIX

A total of over 450 companies were assessed, which included pharma manufacturers and service providers such as CROs, CDMOs, and CRAMS. Akums ranked 31 in FY22 in terms of revenue, demonstrating its notable position in the Indian pharma landscape.

Table 4.1: Revenue of Leading 35 Companies in the Indian Pharma Landscape, FY22

Ranking	Company Name	FY22 Revenue (INR Cr)
1	Sun Pharmaceutical Industries Ltd.	38,654
2	Serum Institute of India Pvt. Ltd.	25,645
3	Aurobindo Pharma Ltd.	23,455
4	Cipla Ltd.	21,763
5	Dr Reddy's Laboratories Ltd.	21,545
6	Intas Pharmaceuticals Ltd.	18,351
7	Lupin Ltd.	16,405
8	Zydus Lifesciences Ltd.	15,110
9	Glenmark Pharmaceuticals Ltd.	12,305
10	Hetero Labs Ltd.	11,897
11	Alkem Laboratories Ltd.	10,634
12	Divi's Laboratories Ltd.	8,960
13	Torrent Pharmaceuticals Ltd.	8,508
14	Biocon Ltd.	8,184
15	Macleods Pharmaceuticals Ltd.	8,172
16	Bharat Biotech International Ltd.	8,116
17	Mankind Pharma Ltd.	7,782
18	Piramal Pharma Solutions	6,559
19	Jubilant Pharmova Ltd.	6,130
20	Emcure Pharmaceuticals Ltd.	5,855
21	IPCA Laboratories Ltd.	5,797
22	Nirayu Pvt. Ltd.	5,656
23	Alembic Pharmaceuticals Ltd.	5,306
24	Micro Labs Ltd.	5,168
25	Laurus Labs Ltd.	4,936
26	Abbott India Ltd.	4,919
27	Gland Pharma Ltd.	4,401
28	MSN Laboratories Pvt. Ltd.	4,122
29	USV Pvt. Ltd.	3,893
30	Granules India Ltd.	3,765
31	**Akums**	**3,672**
32	Biocon Biologics Ltd.	3,464
33	Ajanta Pharma Ltd.	3,341
34	GlaxoSmithKline Pharmaceuticals Ltd.	3,278
35	Wockhardt Ltd.	3,230

Source: Frost & Sullivan

Note: List is not exhaustive. Leading 35 companies based on indicative revenues in FY 22 and identified as pharma/biopharma companies, CDMOs, CROs and CRAMS.

Akums is not only a prominent player in the Indian pharma landscape but has also made a mark in the global landscape. Based on FY22 revenues, Akums is among the 33 assessed large global CDMOs.

Table 4.2: Revenue of Select Large Global CDMOs, CY22/FY23

Ranking	Company Name	Approximated CY 2022/ FY23 CDMO Revenue (USD Million)
1	Lonza	6,730.8
2	Catalent	4,828.0
3	Patheon Pharma Solutions	4,222.0
4	WuXi AppTec Co., Ltd./ Wuxi Chemistry	3,010.0
5	WuXi Biologics Co., Ltd.	2,272.8
6	Fareva SA	2,188.1

7	Samsung Biologics Co., Ltd.	1,796.2
8	FUJIFILM Diosynth Biotechnologies	1,474.4
9	Pfizer CenterOne	1,342.0
10	Siegfried Holding AG	1,330.4
11	Recipharm AB	1,316.1
12	Seqens UK Ltd.	1,200.0
13	Delpharm	1,072.6
14	Boehringer Ingelheim - CDMO	1036.1
15	Vetter Pharma-Fertigung GmbH & Co. KG	956.8
16	MilliporeSigma	953.8
17	Divi's Laboratories Ltd.	945.2
18	Corden Pharma GmbH	933.2
19	Almac Group Ltd.	901.0
20	Aenova Group	813.0
21	Curia Global, Inc.	800.0
22	DPT Laboratories Ltd.	700.0
23	Simtra BioPharma Solutions (formerly Baxter Biopharma Solutions)	644.0
24	Cambrex Corporation	600.0
25	Nipro Pharma	523.1
26	Piramal Pharma Solutions	491.2
27	**Akums**	**476.3**
28	Hovione	465.0
29	NextPharma Technologies Holding Limited	429.0
30	Procaps Group	409.9
31	Bora Pharma	340.9
32	Pharmaron Beijing Co. Ltd.	377.2
33	PCI Pharma Services	260.0

Source: Frost & Sullivan

Note: Since several companies are diversified and/or privately listed, the CDMO segmented revenue is estimated based on historical numbers or inferred from segment descriptions. Some of the CDMOs are more focused on biologics. Large CDMOs are companies generating CDMO segment revenue of over USD 250 million in 2022. The list is not exhaustive.

Some additional Indian companies that operate in the CDMO segment are benchmarked below.

Exhibit 4.3: Financial Analysis of Select Indian CDMOs, FY23, INR Million

Parameter/ Company	**Divi's Laboratories (FY23)**	**Suven Pharma (FY23)**	**Gland Pharma (FY23)**
Operating Revenue	77,675.10	13,403.30	36,246.01
Total Revenue	81,121.70	13,866.93	38,650.64
Total Revenue CAGR FY19 – FY23	12.29%	38.36%	16.07%
EBITDA	27,124.80	6,129.02	12,652.26
EBIT	23,693.00	5,651.70	11,184.90
PAT	18,233.80	4,112.95	7,810.49
PAT CAGR FY19 – FY23	7.75%	39.29%	14.66%
ROCE	27.70%	32.55%	26.68%
Return on Equity	14.28%	23.70%	9.81%
Return on Net Worth	14.28%	23.70%	9.81%
EBITDA Margin	33.44%	44.20%	32.73%
EBIT Margin	29.21%	40.76%	28.94%
PAT Margin	22.48%	29.66%	20.21%
Interest Coverage	3,536.27	103.97	150.19
R&D Expense/Operating Revenue	0.89%	0.64%	5.56%
Fixed Asset Turnover Ratio	1.58	1.65	2.07
Debt/Equity Ratio	0.00	0.04	0.00
NAV/share (INR)	480.93	68.16	483.41
EPS diluted (INR)	68.69	16.16	47.43
EPS basic (INR)	68.69	16.16	47.44

Face Value (INR)	2.00	1.00	1.00

Source: Annual Reports, DRHP, MCA, Frost & Sullivan

The segmental analysis of select CDMOs is provided below.

- Akums derives 75% of its revenue from the CDMO business, and Innova Captab derives 73% of its revenue from the CDMO business.

	Exhibit 4.4: Segmental Revenue for Select Indian CDMOs, FY21 – FY23, INR Million			
	Segment	**FY23**	**FY22**	**FY21**
Akums	**CDMO**	27,230.07	26,610.96	21,377.88
	API	1,772.49	1,093.21	6.72
	Branded and Generic Formulations	7,545.63	9,014.76	5,841.69
Innova Captab	**CDMO**	6,795.56	6,866.94	3,708.71
	Domestic Branded Generics	1,661.61	370.51	0.00
	International Branded Generics	806.63	767.81	397.91

Source: Audited Financial Reports, Innova Captab RHP

- Akums' EBITDA margin for the CDMO segment has increased from 12.9% in FY21 to 14.4% in FY23.

Exhibit 4.5: Segmental Financial Analysis for Akums, FY21 – FY23, INR Million				
Segment	**Parameter**	**FY23**	**FY22**	**FY21**
CDMO	**EBITDA**	3,922.87	4,001.51	2,765.15
	EBITDA Margin	14.41%	15.04%	12.93%
API	**EBITDA**	(1,034.45)	(223.74)	(21.14)
	EBITDA Margin	(58.36)%	(20.47)%	(314.58)%
Branded Generics and Formulations	**EBITDA**	451.05	339.99	319.24
	EBITDA Margin	5.98%	3.77%	5.46%

Source: Audited Financial Reports

Note: Segmental EBITDA and EBITDA margin for peers is not available. RFS: Restated Financial Statements.

Formulas used for calculations are listed below. The calculations are done based on disclosed data and interpretation of data without definitions on a best-effort basis. Segment-wise EBITDA is segmental results before depreciation and finance cost extracted from restated consolidated financial information; the EBITDA margin for each segment is calculated as segment-wise EBITDA divided by segment-wise revenue from operations as set out in restated consolidated financial information.

OUR BUSINESS

Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 19 for a discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" on page 27 for a discussion of the risks that may affect our business, financial condition, or results of operations, and "Restated Consolidated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 244 and 333, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

We have included various operational and financial performance indicators in this Draft Red Herring Prospectus, many of which may not be derived from our Restated Consolidated Financial Information or otherwise be subject to an examination, audit or review by our Statutory Auditors or any other expert. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions.

*Unless otherwise indicated, industry and market related data used in this section have been derived from the report titled "Independent Market Research on the Overview of the Global and Indian Contract Development & Manufacturing Organization Industry" dated February 8, 2024 (the "**F&S Report**"), prepared and released by Frost & Sullivan (India) Private Limited ("**F&S**"), which has been exclusively paid and commissioned for by our Company pursuant to an engagement letter dated October 7, 2023, for the purpose of confirming our understanding of the industry we operate in, in connection with the Offer. The F&S Report will be made available on the website of our Company at https://www.akums.in/investors/ from the date of the Red Herring Prospectus until the Bid/Offer Closing Date. The data included herein includes excerpts from the F&S Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the Offer), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year refers to such information for the relevant year. See "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" and "Risk Factors — Internal Risk Factors — This Draft Red Herring Prospectus contains information from third parties, including an industry report prepared by an independent third-party research agency, Frost & Sullivan (India) Private Limited, which we have commissioned and paid for, for the purpose of confirming our understanding of the industry we operate in, exclusively in connection with the Offer" on pages 16 and 53, respectively.*

Our Company's Financial Year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Financial Year are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information for the six months ended September 30, 2023 and the Financial Years ended March 31, 2023, 2022 and 2021 included herein is derived from the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus. For further information, see "Restated Consolidated Financial Information" on page 244. Unless otherwise indicated or the context otherwise requires, in this section, references to "we", "us" and "our" are to the Company together with its Subsidiaries and erstwhile associate on a consolidated basis.

Overview

Established in 2004, we are a pharmaceutical contract development and manufacturing organization ("**CDMO**") offering a comprehensive range of pharmaceutical products and services in India and overseas. As one of the leading CDMOs in India, we own the intellectual property for the manufacturing processes of several of our formulations, and our core business is focused on providing end-to-end product development and manufacturing solutions to our clients. Some of our other services include formulation research and development ("**R&D**"), preparation and filing of regulatory dossiers in the Indian and global markets, and other testing services. In addition to our core CDMO business, we are also engaged in the manufacturing and sale of branded pharmaceutical formulations and active pharmaceutical ingredients ("**APIs**").

We are the largest India-focused CDMO in terms of revenue, production capacity and clients served during the Financial Year 2023 (among CDMOs assessed by F&S) (Source: *F&S Report*). As a CDMO, we produce an extensive range of dosage forms including tablets, capsules, liquid orals, vials, ampoules, blow-filled seals, topical preparations, eye drops, dry powder injections, and gummies, among others (Source: *F&S Report*). During the Financial Year 2023, we had a market share of 29.4% of the Indian domestic CDMO market by value, which increased from 26.7% during the Financial Year 2021 (Source: *F&S Report*). The Indian domestic CDMO market is forecasted to grow at a CAGR of 14.0% between Financial Year 2023 and Financial Year 2028, nearly doubling its historical growth rate (Source: *F&S Report*). Moreover, the market size of Indian domestic CDMO market is forecasted to grow to USD 2.9 billion during Financial Year 2028 (Source: *F&S Report*).

Since our inception, we have manufactured 4,025 commercialised formulations across over 60 dosage forms. During the Financial Year 2023, we manufactured formulations for 26 of the leading 30 pharmaceutical companies in terms of sales in India (Source: *F&S Report*). For our CDMO business, we operate 10 manufacturing units, with a cumulative formulations manufacturing capacity of 49.21 billion units annually, as of September 30, 2023. Further, we expect that two additional manufacturing units for our CDMO business will become operational in Financial Year 2025. Some of our manufacturing units have been accredited by various global regulatory agencies such as the European Good Manufacturing Practice ("**EU-GMP**"), the World Health Organization Good Manufacturing Practice ("**WHO-GMP**") and the United States National Sanitation Foundation ("**US NSF**"). During the six months ended September 30, 2023, and the Financial Years 2023, 2022 and 2021, our manufacturing units were subject to 31 inspections by regulators and 517 audits by our clients (Source: *F&S Report*). For key details of our manufacturing units, including accreditations and certifications received from Indian and foreign government agencies, see "**— *Our Manufacturing Units***" on page 183.

Our longstanding relationships with our clients are characterized by a commitment to consistency and trust. As of September 30, 2023, key clients for our CDMO business include Alembic Pharmaceuticals, Alkem Laboratories, Blue Cross Laboratories, Cipla, Dabur India, Dr. Reddy's Laboratories, Hetero Healthcare, Ipca Laboratories, Mankind Pharma, MedPlus Health Services, Micro Labs, Mylan Pharmaceuticals, Natco Pharma, Sun Pharmaceutical Industries, UCB, and Amishi Consumer Technologies (The Mom's Co), among others. The image below includes some of our key clients for our CDMO business.

For our CDMO business, we have benefitted from repeat orders in the past five years from 36 of our 50 largest clients in terms of revenue, as of September 30, 2023. This reflects the quality of our products and services and our commitment to meeting the evolving needs of our clients. Our client relationships have matured over time. As of September 30, 2023, 30 of our 50 largest clients in terms of revenue have a legacy of more than ten years with us, and their revenue contribution has grown from ₹9,948.21 million during Financial Year 2021 to ₹12,900.83 million during Financial Year 2023. This demonstrates consistency, reliability, expertise and cost efficiencies that we believe we bring to our clients.

The table below sets out the composition of our client base for our CDMO business and revenue contributions from our ten largest clients by revenue in our CDMO business, for the six months ended September 30, 2023 and the Financial Years 2023, 2022 and 2021:

Particulars	Six months ended September 30, 2023	Financial Year 2023	Financial Year 2022	Financial Year 2021
Client base for CDMO business(1)	1,345	1,543	1,386	1,161
Revenue contributions from our ten largest clients by revenue in our CDMO business (in %)	43.35	38.92	41.27	36.16

(1) Comprising Indian and multinational pharmaceutical and wellness companies.

Our commitment to innovation and continuous improvement has enabled us to remain at the forefront of pharmaceutical advancement in India. Our R&D teams are dedicated to developing an expansive product portfolio with differentiated dosages, and further enhancing manufacturing processes. Our focus on R&D has resulted in the development of 208 innovative formulations since the commencement of our operations. As of September 30, 2023, we operate four dedicated R&D units, of which two are approved by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India, and a team of 332 R&D scientists. As of September 30, 2023, we have secured approval from the Drug Controller General of India ("**DCGI**") for 901 formulations and have been granted approval for five patents. Further, as on the date of this Draft Red Herring Prospectus, we have received approval from the Food Safety and Standards Authority of India ("**FSSAI**") for 862 formulations. We also received approvals from the DCGI for 69 formulations during the Financial Year 2023 (Source: *F&S Report*).

In addition to our core CDMO business, we actively engage in marketing our own branded formulations in India and across global markets, and have established a domestic and international presence through our Subsidiaries, Akumentis and Unosource, respectively. Through Akumentis, we focus on therapy areas such as gynaecology, cardiology, orthopaedic and paediatric. Utilizing our field force of 1,525 individuals, as of September 30, 2023, we have established a domestic marketing and distribution network of medical representatives, field managers, distributors and retailers and sell over 200 brands, as of September 30, 2023. Through Unosource, we focus on therapy areas such as anti-infectives, analgesics, central nervous system, and gynaecology. As of September 30, 2023, our international presence extends across 60 countries, and our key clients include Allegens (Vietnam), Ambica International (Philippines), Caferma SAC (Peru), JDS (Myanmar), Master Pharma (Cambodia), Olainfarm (Latvia), Pharma Apex (Myanmar), Planet Pharmaceutical (Tanzania), and Unisel (Kenya), among others. The image below includes some of our key international clients.

We also engage in the marketing of trade generic and private label products through distributors and alternative channels across India.

Our Company acquired Akums Lifesciences Limited (formerly Parabolics Drugs Limited) in 2021, and following a scheme of arrangement approved by the National Company Law Tribunal, New Delhi, on October 17, 2023, Akums Lifesciences Limited merged with PCHL with effect from April 1, 2022. As part of this acquisition, we acquired manufacturing units in Dera Bassi and Lalru in Punjab and Barwala in Haryana, and an R&D centre in Barwala, Haryana and commenced operations in the manufacture and sale of key starting materials, intermediates and APIs. Our specialization extends to the development and sale of APIs across diverse chemical processes and therapeutic areas such as anti-infectives, respiratory and diabetes, among others. As of September 30, 2023, we have an installed API manufacturing capacity of 737.38 MT.

We are led by a professional and experienced management team comprising qualified Key Managerial Personnel and Senior Management Personnel. Our co-founders, Promoters and managing directors, Mr. Sanjeev Jain and Mr. Sandeep Jain, both have extensive experience in the Indian pharmaceutical industry. They are mentored by Mr. D. C. Jain, and are supported by Ms. Arushi Jain and Mr. Kanishk Jain, who manage our business excellence at Akums and strategy at Akumentis, respectively. Ruby QC Investment Holdings Pte. Ltd., which is backed by Quadria Capital, a prominent healthcare focused private equity fund in Asia, holds 15.09% of our fully subscribed and paid-up Equity Share capital.

We have an established track record of delivering strong financial performance. The table below sets out details of our key financial and operational metrics for the six months ended September 30, 2023, and the Financial Years 2023, 2022 and 2021:

Key financial and operational metrics

Particulars	Six months ended September 30, 2023	Financial Year 2023	Financial Year 2022	Financial Year 2021
	(in ₹ million, unless otherwise specified)			
Revenue from operations	21,511.38	36,548.20	36,718.93	27,226.29
EBITDA(1)	414.31	3,840.55	(690.89)	2,584.99
EBITDA margin(2)	1.91%	10.38%	(1.87)%	9.42%
EBIT(3)	(187.07)	2,712.46	(1,637.68)	1,886.58
EBIT margin(4)	(0.86)%	7.33%	(4.43)%	6.88%
Profit for the period / year	(1,547.39)	978.17	(2,508.74)	1,234.35
Profit after tax margin(5) (%)	(7.14)%	2.64%	(6.79)%	4.50%
Fixed asset turnover ratio(6)*	1.89	3.41	3.79	3.26
Debt-equity ratio(7)	1.26	0.75	0.58	0.11
Return on equity(8)* (%)	(27.23)%	13.52%	(40.13)%	13.91%
Return on capital employed(9)*	(1.83)%	24.60%	(18.89)%	21.06%
Segment results before depreciation*				
- *CDMO*	*2,950.39*	*3,922.87*	*4,001.51*	*2,765.15*
- *Branded and generic formulations*	*157.04*	*451.05*	*339.99*	*319.24*
- *API*	*(210.48)*	*(1,034.45)*	*(223.74)*	*(21.14)*
Segment results before depreciation margin (%)(10)*				
- *CDMO*	*17.56%*	*14.41%*	*15.04%*	*12.93%*
- *Branded and generic formulations*	*4.16%*	*5.98%*	*3.77%*	*5.46%*
- *API*	*(22.55)%*	*(58.36)%*	*(20.47)%*	*(314.58)%*
Adjusted EBITDA(11)#	2,950.77	3,400.86	4,250.85	3,123.22
Adjusted EBITDA margin(12) #*	13.62%	9.19%	11.51%	11.38%
Adjusted EBIT(13)#	2,349.39	2,272.77	3,304.06	2,424.81
Adjusted EBIT margin(14)#*	10.85%	6.14%	8.94%	8.84%
Adjusted Return on equity(15)#*	5.41%	3.11%	14.51%	12.27%
Adjusted Return on Capital employed(16) #*	10.30%	10.77%	17.22%	16.69%

* *Not annualised for the six months ended September 30, 2023.*

\# *Calculated without considering the computation of the fair value of the put option liability. The put option liability arose as a result of a buyback obligation on account of certain exit rights granted to Ruby QC Investment Holdings Pte. Ltd. by our Company, under the shareholders agreement, dated October 3, 2019, entered among our Company and the Promoters. This put option liability or the buyback obligation is recognised as a financial liability and is re-measured at each accounting date and has been recognised as fair value changes to the financial instrument in the Restated Consolidated Financial Information in accordance with Ind AS 109 "Financial Instruments' applicable to our Company. For details, see "Other Financial Information – Reconciliation of Non-GAAP measures" on page 325.*

Notes:

(1) *EBITDA is calculated as the sum of EBIT and depreciation and amortisation expense.*

(2) *EBITDA margin is calculated as EBITDA divided by total income.*

(3) *EBIT refers to earnings before interest and tax, calculated as the sum of restated profit/(loss) before share of profit/(loss) of associates and exceptional items for the period / year, and finance costs.*

(4) *EBIT margin is calculated as EBIT divided by total income.*

(5) *Profit after tax margin is calculated as the percentage of restated profit after tax for the period/ year divided by total income.*

(6) *Fixed asset turnover ratio is calculated as revenue from operations divided by fixed assets at the end of the period/ year.*

(7) *Debt-equity ratio is calculated by dividing total debt (including both current and non-current borrowings) by equity attributable to equity holders of the Company.*

(8) *Return on equity is calculated by dividing restated profit for the period/ year by total equity.*

(9) *Return on capital employed is calculated as EBIT divided by capital employed (i.e. sum of total equity and net debt). Net debt is calculated as total debt (including both current and non-current borrowings) less cash and cash equivalent, bank balance other than cash and cash equivalents and fixed deposits with remaining maturity of more than 12 months.*

(10) *Segment results before depreciation margin are calculated as segment results before depreciation from each segment divided by revenue from operations from such segment.*

(11) *Adjusted EBITDA is calculated as the sum of restated profit for the year/period, tax expenses, finance costs, depreciation and amortization expense, fair value changes to financial instruments, share of profit/ (loss) of associates and exceptional items.*

(12) *Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by total income.*

(13) *Adjusted EBIT is calculated as the sum of our restated profit/(loss) before share of profit/(loss) of associates and exceptional items for the year/period, finance costs and fair value changes to financial instruments.*

(14) *Adjusted EBIT margin is calculated as Adjusted EBIT divided by total income.*

(15) *Adjusted return on equity is calculated by dividing the sum of profit after tax for the year/period and fair value changes to financial instrument by the sum of total equity and put option liability.*

(16) *Adjusted return on capital employed is calculated as Adjusted EBIT divided by the sum of total equity, net debt and put option liability. Net debt is calculated as total debt (including both current and non-current borrowings) less cash and cash equivalent, bank balances other than cash and cash equivalents and fixed deposits with remaining maturity of more than 12 months.*

See also "*Financial Information – Other Financial Information*" on page 325.

Our Strengths

Largest CDMO serving the Indian pharmaceutical industry

We are the largest India-focused CDMO in terms of revenue, production capacity and clients served during the Financial Year 2023 (among CDMOs assessed by F&S) (Source: *F&S Report*). Since the commencement of our operations in 2004, we offer a comprehensive range of pharmaceutical products and services. Along with our Subsidiaries, as of September 30, 2023, we operate 10 manufacturing units with a cumulative formulations manufacturing capacity aggregating to 49.21 billion units annually, to produce a wide range of dosage forms including tablets, hard and soft gelatin capsules, liquid orals, sachets, vials, ampoules, form fill seals, topical preparations, eye drops, dry powder injections, rotacaps and gummies, among others. Since the commencement of our operations, we have manufactured 4,025 commercialized formulations across over 60 dosage forms. During the six months ended September 30, 2023 and the Financial Years 2023, 2022 and 2021, we manufactured 13,028, 18,159, 15,441 and 11,866 SKUs, respectively. During Financial Year 2023, we had a market share of 29.4% by value in the Indian domestic CDMO market (Source: *F&S Report*).

The pharmaceutical industry is characterized by significant barriers to entry, notably the high capital expenditure required to establish and maintain sizeable and diverse manufacturing units, the R&D expertise required to develop an extensive product portfolio, the need for technical know-how and trained manpower to manufacture formulations and ensure consistent quality control, and the long-drawn regulatory processes, among others. These factors along with the substantial need for capital and maintaining strong client relationships acts as a formidable hurdle for competitors in the industry (Source: *F&S Report*).

Prudent capital expenditure has been a hallmark of our approach, and our capital expenditure and investments towards our manufacturing operations and equipment have been allocated to enhance production efficiency, bolster our R&D capabilities, and ensure compliance with evolving industry standards. Through our network of manufacturing units, we engage in the production of diverse dosage forms such as ampoules, vials, nasal sprays, bi-layered tablets, gummies, dry powder injectables, and pre-filled syringes, among others, and accommodate the varying requirements of our clients. By carrying out our manufacturing activities across distinct units, we are also able to fortify our operations against potential disruptions.

The pharmaceutical industry is also subject to stringent regulatory oversight and compliance, which necessitates extensive expertise and experience (Source: *F&S Report*). Some of our manufacturing units have been accredited by various global regulatory agencies such as the EU-GMP, WHO-GMP and US NSF. During the six months ended September 30, 2023, and the Financial Years ended 2023, 2022 and 2021, our manufacturing units were subject to 31 inspections by regulators and 517 audits by our clients (Source: *F&S Report*). Our track record of regulatory compliance underscores our success in operating in the complex regulatory landscape, positioning us as a trusted and long-term resource to the pharmaceutical industry.

With increased growth, the Indian domestic CDMO market is forecasted to grow at a CAGR of 14.0% between Financial Year 2023 and Financial Year 2028, nearly doubling its historical growth rate (Source: *F&S Report*). Moreover, the market size of Indian domestic CDMO market is forecasted to grow to USD 2.9 billion during Financial Year 2028 (Source: *F&S Report*). This growth is driven by the expansion of asset-light pharmaceutical companies, heightened cost-efficiency and manufacturing optimization solutions, comprehensive end-to-end services, focus on rapid time-to-market, and the advantages associated with economies of scale (Source: *F&S Report*). Historically, we have demonstrated robust growth and delivered superior returns, achieving CDMO revenue growth at a CAGR of 12.86% between Financial Years 2021 and 2023, and EBITDA growth at a CAGR of 19.11% between Financial Years 2021 and 2023. Our large manufacturing scale, formulation capability, and R&D competency allows us to extract a large proportion of segment growth as pharmaceutical sponsors seek a reliable supply of large quantities, a track record of quality, along with the ability to offer continuous innovation to stay abreast with market demands (Source: *F&S Report*).

Diverse client base with longstanding CDMO relationships

As of September 30, 2023, our client base for our CDMO business comprised 1,345 Indian and multinational pharmaceutical and wellness companies, increasing from 1,161 as of March 31, 2021, 1,386 as of March 31, 2022 and 1,543 as of March 31, 2023. Our client base includes a diverse range of clients such as pharmaceutical companies, nutraceutical companies, cosmo-derma companies, wellness companies, e-commerce companies, healthcare providers and central and state government entities. During the Financial Year 2023, we manufactured formulations for 26 of the leading 30 pharmaceutical companies in terms of sales in India (Source: *F&S Report*). Furthermore, we have benefitted from repeat orders in the past five years from 36 of our 50 largest clients in terms of revenue for our CDMO business, as of September 30, 2023. Our client relationships have strengthened over the years, exemplifying our reliability, expertise and cost efficiencies we bring to our clients. We also have a low client concentration in our CDMO business, and the table below sets out the revenue contributions from our ten largest clients by revenue for the six months ended September 30, 2023 and the Financial Years ended 2023, 2022 and 2021:

Particulars	Six months ended September 30, 2023	Financial Year 2023	Financial Year 2022	Financial Year 2021
Revenue contributions from our ten largest clients	43.35	38.92	41.27	36.16

Particulars	Six months ended September 30, 2023	Financial Year 2023	Financial Year 2022	Financial Year 2021
by revenue in our CDMO business (in %)				

Large and rapidly growing R&D capabilities across our product portfolio

As part of our CDMO operations, we offer differentiated products and services. Our in-house product strategy team is responsible for conceptualizing new formulations based on emerging epidemiological trends, global product approvals and opportunities within the pharmaceutical, wellness, and nutraceutical sectors. As part of the product conceptualisation process, each prospective product undergoes rigorous clinical and stability studies, scale-up procedures, and a meticulous regulatory clearance process before launch.

Our commitment to innovation and continuous improvement has enabled us to remain at the forefront of pharmaceutical advancement in the CDMO sector in India and globally. Our R&D capabilities extend across a diverse range of dosage types, encompassing oral solids, oral liquids, injectables, sterile products, topicals. Furthermore, our R&D efforts span various product categories including pharmaceuticals, cosmeceuticals, nutraceuticals and ayurvedic products, among others, within and outside India.

As of September 30, 2023, we operate four dedicated R&D units and engaged 332 R&D scientists across our businesses. Two of our R&D units are approved by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India. As of September 30, 2023, we have obtained 2,161 trademarks across various dosage forms and formulations. Further, as of September 30, 2023, we have and procured 901 DCGI approvals and five patents (Source: *F&S Report*). As of the date of this Draft Red Herring Prospectus, we have received approval from FSSAI for 862 formulations.

Strategic presence across the pharmaceutical value chain

We carry out our operations across the pharmaceutical value chain, operating as a CDMO as well as a marketer of formulations and manufacturer of APIs. While this approach provides us with multiple levers of growth, it also helps us mitigate business risks inherent in the industry. Our presence in the Indian pharmaceutical landscape is augmented by our strong domestic CDMO presence and amplified through our global export initiatives. This provides us with a competitive edge in the industry, allowing us to navigate growth opportunities across multiple markets. Moreover, our adherence to global regulatory standards reinforces our ability to contribute to global healthcare solutions, expanding our footprint in overseas markets.

In addition to our core CDMO business, we are also engaged in the manufacturing and sale of branded pharmaceutical formulations in India and overseas markets. Domestically, through our strategic initiatives and targeted marketing campaigns, we are a comprehensive healthcare solutions provider with diversification across a range of therapeutic areas. We carry out the export of branded formulations and have established a global presence across 60 countries, as of September 30, 2023. We offer a broad portfolio which focuses on utilizing a combination of distributors and our own salesforce through which we market and sell branded pharmaceutical formulations across diverse therapy areas. We have also established an R&D centre in Mahape MIDC, Navi Mumbai, Maharashtra, with a primary focus on product development tailored for global and regulated markets. As of September 30, 2023, we have 190 dossiers under development. Moreover, through our strategic acquisitions, we have commenced API manufacturing operations, ensuring that we not only have a secure supply chain for products and formulations manufactured by us but are also well positioned to capitalize on broader industry opportunities.

Experienced and entrepreneurial management team with a proven track record and marquee healthcare focused private equity investor

We are led by a professional and experienced management team comprising qualified Key Managerial Personnel and Senior Management Personnel. Our co-founders, Promoters and managing directors, Mr. Sanjeev Jain and Mr. Sandeep Jain, both have extensive experience in the Indian pharmaceutical industry, and are mentored by Mr. D. C. Jain. Mr. Sanjeev Jain heads our sales and marketing strategy group whereas Mr. Sandeep Jain heads our manufacturing operations. They are supported by Ms. Arushi Jain and Mr. Kanishk Jain who manage business excellence in our Company, and strategy at Akumentis, respectively.

Our Chief Financial Officer, Mr. Sumeet Sood, has over 30 years of experience as a chartered accountant. Furthermore, our Whole-time Director and President (Operations), Mr. Sanjay Sinha has over 30 years of experience, and our President (Portfolio Strategy), Mr. Sanjay Sharma, our Head (Information Technology), Mr. Jitendra Mishra, our Head (R&D), Dr. Sunil Jaiswal, and our Chief Human Resource Officer, Mr. Arvind Srivastava all have over 25 years of experience, in their respective areas of expertise. See also, "*Our Management*" on page 219.

Ruby QC Investment Holdings Pte. Ltd., which is backed by Quadria Capital, a healthcare focused private equity fund in Asia, holds 15.09% of our fully subscribed and paid-up Equity Share capital.

Our Strategies

Leverage our leadership position to continue to increase our market share and consolidate our position in the CDMO market

We are the largest India-focused CDMO in terms of revenue, production capacity and clients served during the Financial Year 2023 (among CDMOs assessed by F&S) (Source: *F&S Report*). We have longstanding relationships with a large number of key pharmaceutical companies across India. During the Financial Year 2023, we manufactured formulations for 26 of the leading 30 pharmaceutical companies in terms of sales in India (Source: *F&S Report*).

As we continue to grow our business, we remain focused on expanding our footprint in the domestic market by increasing our revenue contribution from our existing clients, and by onboarding new clients. Since the commencement of our operations, we have broadened our CDMO offerings to provide a diverse range of products and services across therapeutic areas and dosage forms. To further strengthen our leadership position in the domestic market, we are focused on the expansion of both existing and new dosage forms and formulations. Our overarching strategy revolves around a synergistic approach to product categories, clients, and manufacturing capabilities. This includes a targeted approach to increase our market share through the expansion of our existing product portfolio and our client base, and introduction of new products.

- *Product Categories:* To grow our market presence, we continuously enhance our offerings with a patient-first philosophy to innovation. Our focus extends beyond pharmaceuticals to nutraceuticals, cosmeceuticals, Ayurveda and wellness products and other healthcare products, with the goal to meaningfully expand our product portfolio and meet emerging market demands.

- *Cultivating Client Diversity*: In addition to strengthening existing client relationships, we aim to expand our presence in the domestic market to increase our market share. We aim to do so by continuing to pursue new relationships and recognising the changing landscape in India's pharmaceutical industry, characterized by the emergence of direct-to-consumer companies, e-commerce entities, and multinational and regional pharmaceutical firms (Source: *F&S Report*). Aligning our growth and portfolio strategies with market trends enables us to cater to diverse client needs. Furthermore, regulatory advancements, including the alignment with global standards and the implementation of Schedule M of the Drugs and Cosmetics Act, further facilitates our aim to capture an expanded market share.

- *Diversifying Dosage Capabilities:* Recognizing the evolving demands in the healthcare landscape, we are steadfast in our commitment to expanding our manufacturing capacities across multiple dosage forms. Our strategic focus on enhancing production volumes aligns with our preparedness to handle large-scale manufacturing in an efficient manner. By addressing the distinct needs of different dosage forms, we aim to establish ourselves as a comprehensive solutions provider, thereby solidifying our market leadership.

To achieve operational efficiencies, we are focused on improving productivity and introducing automation solutions, thereby ensuring that our resources are allocated optimally to support the sustainable growth of our operations. We also aim to streamline our production lines and enhance quality control measures, ensuring that we maintain high-quality standards. By proactively identifying areas where automation can be effectively integrated into our operations, we aim to reduce production costs, decrease lead times, and provide a quicker response to our clients' needs.

Sustaining R&D for product development across therapies and dosage forms

We aim to continue to prioritize R&D for product development across diverse therapy areas and dosage forms. A key aspect of our strategic focus is developing formulations that align with our "Patient First" philosophy aimed at enhancing clinical outcomes through differentiated formulations. We continue to invest in developing formulations and introducing innovative drug combinations that address medical needs of patients, and ultimately improve clinical outcomes. Our R&D initiatives are aimed at innovation in relation to taste and odour masking, targeted drug release, solubility/dissolution enhancement, reduced excipient burden, permeation enhancement, and stability enhancement, among others. Furthermore, in Financial Year 2023, we collaborated with a pharmaceutical product innovation company to synergize capabilities, leverage research, and introduce products in India and overseas across specific therapeutic areas such as central nervous system disorders, pain management, and hormonal disorders.

Our formulation research endeavours cater to developing new products and drug dosage forms. We actively pursue innovation in oral solid dosages, sterile formulations, topical applications and oral liquids, across multiple therapeutic areas and drug combinations. This broad and inclusive approach allows us to cater to diverse patient needs and market demands in the future, ensuring that our product portfolio remains dynamic and relevant.

Grow our domestic formulations business

Our growth strategy for our domestic formulations business is aimed at expanding our brand presence and exploring new therapeutic areas through the following initiatives:

- *Expansion of Brand Presence:* We are committed to expanding the presence of our current brands across India. This involves undertaking strategic marketing initiatives and targeted promotional campaigns as well as enhancing the size of our field force and improving efficiency of our salesforce with existing therapy areas and across existing and newer geographies.

- *Augmenting Marketing Efforts:* In addition to undertaking increased marketing activities, we aim to further engage in international pharmaceutical and science conferences and interact with physicians to enhance product visibility and awareness on novel therapies.

- *Foray into Newer Therapeutic Areas:* To broaden our impact and cater to evolving healthcare needs, through Akumentis, we aim to venture into newer therapeutic areas such as neurology, psychiatry and orphan diseases, and expand our presence to metabolic disorders, infertility and paediatric indications. By diversifying our portfolio, we aim to not only tap into new market segments but also position ourselves as a comprehensive healthcare solutions provider.

Expanding our global presence through strategic initiatives

As part of our growth strategy, we aim to expand our global presence, enter new markets and further diversify our operations. Through Unosource, our wholly owned Subsidiary, we market branded and generic medicinal formulations under our own brand names in over 60 countries in south-east Asia, Africa and the Commonwealth of Independent States. We recognize the potential for further growth across geographies and are focused on lesser-penetrated geographies such as Latin America and other regions such as Europe and the Middle East. We also aim to introduce products in acute as well as chronic therapeutic areas across markets in South East Asia and Africa.

We also intend to expand our CDMO offering to include additional formulation development services, manufacturing for global supply chains, dossier development, and additional regulatory assistance. By focusing on R&D as a service, we aim to undertake contract manufacturing in global markets, and leverage our existing expertise in product development to forge manufacturing collaborations across a range of therapies. With a growing focus on the localization of pharmaceutical operations in various geographies, we aim to evaluate potential joint venture opportunities with local manufacturers and other large distributors to establish CDMO operations overseas. While we aim to obtain approval and certification under additional global standards, we believe we are poised to extend our presence to newer geographies and meeting the stringent quality standards required for overseas markets.

Scale our API business

We aim to leverage our experience and established client relationships in the CDMO business to scale our API business. We aim to develop a comprehensive portfolio of complex APIs for both captive consumption and sales to other formulations manufacturers within and outside India. By identifying significantly unmet needs in the industry, we aim to position ourselves to offer APIs and improve our product margins by focusing on process efficiency and leveraging our R&D capabilities to solidify our presence in the domestic market. We also aim to expand our sales capabilities globally. By continuing to invest in R&D, we strive to optimize manufacturing processes, ensuring competitiveness in the market and long-term sustainability. Lastly, we plan to offer APIs into semi-regulated and regulated markets and explore contract manufacturing of APIs for overseas markets. Pursuant to this, we aim to secure regulatory approvals in multiple jurisdictions such as the Philippines, South Korea, Vietnam, Europe, and South America, among others, followed by other regulated markets. This initiative positions us as a reliable manufacturer for pharmaceutical companies seeking high-quality API manufacturing services.

DESCRIPTION OF OUR BUSINESS

We offer a comprehensive range of pharmaceutical products and services to meet the diverse needs of our clients. Through our core CDMO business, we provide end-to-end product development and manufacturing solutions to our clients, including formulation and analytical R&D, preparation filing of regulatory dossiers for Indian and global markets, contract manufacturing of formulations and testing services. In addition to our core CDMO business, we are also engaged in the manufacturing and sale of branded pharmaceutical formulations and APIs. A breakdown of our revenue from operations from external customers for our CDMO business, our branded and generic formulations business and our API business for the six months ended September 30, 2023, and the Financial Years 2023, 2022 and 2021 is set out below:

Particulars	For the six months ended September 30, 2023		For the Financial Year					
			2023		2022		2021	
	(₹ in millions)	% of revenue from operations	(₹ in millions)	% of revenue from operations	(₹ in millions)	% of revenue from operations	(₹ in millions)	% of revenue from operations
CDMO	16,805.98	78.13	27,230.08	74.50	26,610.96	72.47	21,377.88	78.52
Branded and generic formulations	3,771.98	17.53	7,545.63	20.65	9,014.76	24.55	5,841.69	21.46
API	933.42	4.34	1,772.49	4.85	1,093.21	2.98	6.72	0.02
Total	**21,511.38**	**100.00**	**36,548.20**	**100.00**	**36,718.93**	**100.00**	**27,226.29**	**100.00**

Our CDMO Business

We are the largest India-focused CDMO in terms of revenue, production capacity and clients served during the Financial Year 2023 (among CDMOs assessed by F&S) (Source: *F&S Report*) During Financial Year 2023, we had a market share of 29.4%

of the Indian domestic CDMO market by value, and which increased from 26.7% during Financial Year 2021 (Source: *F&S Report*). Since our inception, we have manufactured 4,025 commercialized formulations across over 60 dosage forms. We have diversified our CDMO offerings to provide products and services across a range of therapeutic areas and dosage forms. During the Financial Year 2023, we manufactured formulations for 26 of the leading 30 pharmaceutical companies in terms of sales in India (Source: *F&S Report*). We had a market share of 9.3% by value in the total addressable Indian CDMO market in Financial Year 2023 (Source: *F&S Report*).

We are committed to ongoing innovation and further developing and upgrading our processes to align with the latest advancements in the industry. Our commitment to innovation and continuous improvement has enabled us to remain at the forefront of pharmaceutical advancement in the CDMO sector in India. Our in-house product strategy team is responsible for conceptualizing new formulations based on emerging epidemiological trends, global product approvals and opportunities within the pharmaceutical, wellness, and nutraceutical sectors. As part of the product conceptualisation process, each prospective product undergoes rigorous clinical and stability studies, scale-up procedures, and a meticulous regulatory clearance process before launch.

In addition to our specialization in the pharmaceutical industry, to meet the evolving needs of the market, we have expanded our operations through our Subsidiary, Maxcure Nutravedics. This Subsidiary is equipped with an advanced manufacturing unit dedicated to the production of a wide array of products, including nutraceuticals, food supplements, herbal and ayurvedic formulations. Certification by the US NSF underscores our commitment to quality and safety in the production of health and wellness products, addressing the growing demand for these products in India and beyond. Furthermore, we have extended our expertise to the cosmetic and dermatological sectors, manufacturing a diverse range of products. This allows us to offer a comprehensive solution to our partners in the cosmetic and dermatological industries, reflecting our dedication to supporting their success.

Our Dosage Forms

We operate 10 manufacturing units to produce a wide range of dosage forms, such as tablets, hard and soft gelatin capsules, liquid orals, sachets, vials, ampoules, form fill seals, topical preparations, eye drops, dry powder injections, rotacaps and gummies, among others. We also operate four dedicated R&D units located in Haridwar, Uttarakhand and Mumbai, Maharashtra.

The table below sets out details of our development capabilities as of/for the six months ended September 30, 2023, owing to our focus on R&D:

Particulars	As of /for the six months ended September 30, 2023
Total formulations manufactured (as of September 30, 2023)	4,025
DCGI approvals received (as of September 30, 2023)	901
SKUs manufactured (for the six months ended September 30, 2023)	13,028

See also, "*– Research and Development*" on page 189.

We offer differentiated products and services as part of our CDMO operations. The table below sets forth our major dosage form capabilities, as of September 30, 2023:

Main Classification	Sub Classification	Form
Oral Solids	Tablets	Uncoated tablets Film coated tablets Sugar coated tablets Sustained release tablets Bi-layered tablets Chewable tablets Effervescent tablets Tablet in tablet Bi-layered tablet in tablet Inlay tablets
	Capsules	Hard gelatin capsules

Main Classification	Sub Classification	Form
		Soft gelatin capsules Tablet-in-capsules Twist-off tips Vegetarian capsules Rotacap
	Powders	Effervescent powders Powder in sachet Mouth-melt powder
	Others	Soup Lozenges Ready mix Bolus Diskette Gummies Kits Granules/ Pellets
Oral Liquids	—	Oral spray Syrups Suspensions Oral solutions Oral jellies in sachet Oral drops Emulsion Dry syrup Liquid shots
Sterile	Injectable	Ampoules Dry powder injections Single dose vials Pre-filled syringes Multi dose vials Large volume parenteral (100 ml)/ Infusions
	Others	Ear drops Three-piece eye drops Form fill seal eye drops Unit dose individual medication systems

Main Classification	Sub Classification	Form
		Respules
Topicals	—	Creams Ointments Gels Lotions Oils Shampoo Facewash/ Scrub Balm Liniment Paint Toothpaste Mouthwash

For further details of our manufacturing capabilities, see "– *Our Manufacturing Units*" on page 183.

Our CDMO Clients

Our client base for our CDMO business includes a diverse range of clients such as pharmaceutical companies, nutraceutical companies, cosmeceuticals companies, wellness companies, e-commerce companies, healthcare providers and central and state government entities. During the Financial Year 2023, we manufactured formulations for 26 of the leading 30 pharmaceutical companies in terms of sales in India (Source: *F&S Report*). We offer differentiated dosage forms and by leveraging our understanding of the regulatory environment, we provide assistance to our clients through our dedicated team of experts, guiding them through the intricacies of evolving regulatory issues and requirements.

We have longstanding relationships with our clients and have benefitted from repeat orders in the past five years from 36 of our 50 largest clients in terms of revenue for our CDMO business as of September 30, 2023. The table below sets out details of our CDMO clients during the six months ended September 30, 2023 and the Financial Years ended 2023, 2022 and 2021:

Particulars	Six months ended September 30, 2023	Financial Year 2023	Financial Year 2022	Financial Year 2021
Number of CDMO clients	1,345	1,543	1,386	1,161
Revenue generated from CDMO segment *(₹ in millions)*	16,805.98	27,230.08	26,610.96	21,377.88
Revenue generated from 50 largest CDMO clients by revenue with legacy of less than ten years *(₹ in millions)*	3,759.19	5,314.98	3,033.45	1,846.40
Revenue generated from 50 largest CDMO clients by revenue with legacy longer than ten years *(₹ in millions)*	8,329.13	12,900.83	14,329.67	9,948.21
Revenue contributions from our ten largest clients by revenue in our CDMO business (in %)	43.35	38.92	41.27	36.16

Contracts with our CDMO clients

Our CDMO business operates through purchase orders placed by our clients with us. We do not have exclusive arrangements with a majority of our clients, and all purchase orders received from our clients typically encompass crucial details such as quantity, quality specifications, adherence to quality guidelines, and stipulated delivery timelines for the products manufactured by us on their behalf. Prior to the issuance of purchase orders, we enter into agreements with our clients to set out broad parameters of the arrangement, including but not limited to the nature of the products, the duration of contractual obligations, and provisions related to inspection and audit rights.

Our Branded and Generic Formulations Business

In addition to our CDMO business, we actively engage in marketing our own branded formulations in India and in global markets as well as the marketing of trade generic and private label products through distributors and alternative channels on a pan-India basis. Operating through our Subsidiaries, we promote our own brands across India and other countries, primarily in south-east Asia, Africa and the Commonwealth of Independent States. We have also established a robust domestic marketing and distribution network that includes medical representatives, field managers, distributors and retailers. As of September 30, 2023, our global footprint for this business extended to over 60 countries.

Set forth below are the details of the three divisions of our branded and generic formulations business:

- *Domestic Branded Formulations*: Operating through our subsidiary, Akumentis, our domestic branded formulations business spans across gynaecology, cardiology, orthopaedics, paediatrics, and dermatology, featuring a portfolio of over 200 brands distributed among 12 therapy areas. Notably, the chronic and sub-chronic segment accounts for approximately 69% of our revenue from our formulations business during the six months ended September 30, 2023 and Financial Years 2023, 2022 and 2021.

  Utilizing our own salesforce of over 1,525 personnel as of September 30, 2023, we market and sell branded formulations and ranked 61st amongst companies involved in the sale of branded formulations in India (Source: *F&S Report*). Notably, sales from 10 largest brands accounted for over 30% of our revenue from domestic branded formulations during the six months ending September 30, 2023. Additionally, we have a specialized division dedicated to hospitals, supported by a field force of medical representatives expanding our market reach and impact.

- *Export-oriented Branded Formulations*: We carry out the export of branded formulations and have established a global presence across 60 countries, as of September 30, 2023. We offer a broad portfolio which focuses on utilizing a combination of distributors and our own salesforce through which we market and sell branded pharmaceutical formulations across therapy areas such as anti-infectives, cardio-diabetic, gynaecology, analgesics, gastroenterology, urology, respiratory, orthopaedics, multivitamins and nutraceuticals. We have also established an R&D centre in Mahape MIDC, Navi Mumbai, Maharashtra, with a primary focus on product development tailored for global and regulated markets. This centre is actively engaged in the formulation development of various dosage forms, encompassing general solid orals, such as tablets and capsules, sterile dosage forms, including ophthalmic, and injectable products, as well as gels, creams, soft gelatin capsules, and female contraceptive hormone dosage forms. As of September 30, 2023, we have 190 dossiers under development. Set forth below are the details of dossiers approved during the six months ended September 30, 2023, and the Financial Years 2023, 2022 and 2021:

Particulars	Six months ended September 30, 2023	Financial Year 2023	Financial Year 2022	Financial Year 2021
Dossiers owned by Unosource	67	206	140	86
Third party dossiers	24	40	39	39
Total	**91**	**246**	**179**	**125**

- *Trade Generics*: Through distributors and alternative channels, we market and sell trade generics across therapy areas such as anti-infectives, pain, orthopaedics, gastro, cardio diabetic, critical care, respiratory and gynaecology on a pan-India level.

Our API Business

Following the acquisition of Parabolic Drugs by our Company in 2021, we entered the business of the manufacture and sale of key starting materials, intermediates and APIs, and acquired manufacturing units in Dera Bassi and Lalru in Punjab and Barwala in Haryana, and an R&D centre in Barwala, Haryana. Details of our API units are set out below:

- *Dera Bassi, Punjab*: This unit is dedicated to the production of beta lactams and is equipped with six production blocks. With an annual capacity of 557.00 MT as of September 30, 2023, this unit enables us to carry out complex multistep synthesis processes, meeting the high demand for beta lactam APIs.

- *Lalru, Punjab*: This unit is designed for the synthesis of a wide range of APIs spanning various therapy areas. As of September 30, 2023, this unit comprises three production blocks and has an annual production capacity of 180.00 MT. At this unit, we produce APIs across a broad spectrum of therapeutic categories.

- *Barwala, Haryana*: This unit is a specialized small-volume, high-potency API manufacturing unit with an annual production capacity of 0.38 MT as of September 30, 2023. This unit features a kilo lab scale pilot plant for experimental and development purposes and is dedicated to handling high-potency APIs with a high degree of expertise.

We have a robust portfolio comprising 20 drug master files (DMFs) for our API business and over 10 active APIs across beta-lactams and general APIs, underscoring our commitment to product diversity and quality. As of September 30, 2023, we served a clientele of over 100 customers in our API business. Our proficiency in API manufacturing extends across an array of chemical processes, including beta lactams, heterocyclic chemistry, carbohydrates chemistry, steroids, and stereochemistry. We also possess capabilities in various reaction processes such as hydrogenation, oxidation, chiral synthesis, halogenation, organometallic reactions, nitration, cryogenic reactions, and Friedel-Craft reactions, among others. To ensure the quality and integrity of our products, our analytical capabilities encompass a range of techniques, including but not limited to gas chromatography-mass spectrometry (GC-MS), liquid chromatography-mass spectrometry (LC-MS), x-ray diffraction, inductively coupled plasma mass spectrometry, high-performance liquid chromatography (HPLC), Malvern particle size analyzer, differential scanning calorimeter (DSC), thermo-gravimetric analyzer (TGA), and total organic carbon anlayzer (TOC), among others.

The table below sets forth the annual capacity of our API manufacturing units, as of September 30, 2023.

Unit	Annual Installed Capacity* (MT)
Dera Bassi, Punjab	557.00
Lalru, Punjab	180.00
Barwala, Haryana	0.38

**Annualized for the six months ended September 30, 2023*

Our Manufacturing Units

We engage in the manufacturing and global export of formulations spanning a diverse range of dosage forms and therapeutic areas. Our technologically advanced manufacturing units are equipped to produce various pharmaceutical products, including oral solid dosage forms, oral liquid dosage forms, sterile dosage forms and topicals, across therapy areas such as analgesics, anti-diabetics, anti-infectives, gastro-intestinal and gynaecology, along with ayurvedic formulations, food supplements and nutraceuticals, and animal health care products. We produce these formulations in multiple dosage forms, such as tablets, hard and soft gelatin capsules, liquid orals, sachets, vials, ampoules, form fill seals, topical preparations, eye drops, dry powder inhalers, and gummies. Since our inception, we have manufactured 4,025 commercialized formulations across over 60 dosage forms.

As of September 30, 2023, our manufacturing services were offered through 21 production blocks, with a cumulative formulations manufacturing capacity of 49.21 billion units annually. Furthermore, our API manufacturing units boast a production capacity of 737.38 MT for APIs.

Our units are catered to comply with global regulatory norms and quality guidelines. We have a dedicated unit for manufacturing hormonal products in various forms such as tablets, capsules, sterile and topical dosage forms. Further, we recently operationalized a dedicated unit in Kotdwar, Uttarakhand for manufacturing penem products across orals, dry syrup and injectable dosage forms, and thereby mitigating the risk of cross-contamination with other beta-lactam and non-beta lactam products.

The following tables set forth certain key details of our formulations and API manufacturing units, including accreditations and certifications received from Indian and foreign government agencies, as of September 30, 2023:

Formulations Manufacturing Units

Unit	Year of commencement of operations	Dosage Forms	Number of production blocks	Major Accreditations/Certifications and Certifying Authorities
Unit 1, Haridwar, Uttarakhand	2004	Oral solids	1	• QMS Certification Services Private Limited (ISO 9001:2015, ISO 14001:2015 and Hazard Analysis Critical Control Point) • RIR Certification Private Limited (ISO 45001:2018) • BSI Certification (ISO 50001:2018) • Bulgarian Drug Agency • Food Safety and Drug Administration, Uttarakhand • Ministry of Health, Cambodia

Unit	Year of commencement of operations	Dosage Forms	Number of production blocks	Major Accreditations/Certifications and Certifying Authorities
				• Pharmacy, Medicines and Poisons Board, Malawi • National Agency for Food and Drug Administration and Control, Nigeria • Food and Drug Administration, Philippines • Rwanda Food and Drug Authority • National Medicines Regulatory Authority, Sri Lanka • Ministry of Health, Vietnam
Unit 2, Haridwar, Uttarakhand	2007	Oral liquids	1	• QMS Certification Services Private Limited (ISO 9001:2015 and ISO 14001:2015) • RIR Certification Private Limited (ISO 45001:2018) • BSI Certification (ISO 50001:2018) • Food Safety and Drug Administration, Uttarakhand • Ministry of Health, Cambodia • Pharmacy, Medicines and Poisons Board, Malawi • National Agency for Food and Drug Administration and Control, Nigeria • Food and Drug Administration, Philippines • Ministry of Health, Vietnam
Unit 3, Haridwar, Uttarakhand	2007	Sterile preparations	4	• QMS Certification Services Private Limited (ISO 9001:2015 and ISO 14001:2015) • RIR Certification Private Limited (ISO 45001:2018) • BSI Certification (ISO 50001:2018) • Food Safety and Drug Administration, Uttarakhand • Bulgarian Drug Agency • Ministry of Health, Cambodia • Food Medicine and Healthcare Administration and Control Authority, Ethiopia • Pharmacy, Medicines and Poisons Board, Malawi • Ministry of Health and Population, Nepal

Unit	Year of commencement of operations	Dosage Forms	Number of production blocks	Major Accreditations/Certifications and Certifying Authorities
				• National Agency for Food and Drug Administration and Control, Nigeria • Food and Drug Administration, Philippines • National Medicines & Poisons Board, Sudan • National Drug Authority, Uganda
Unit 4, Haridwar, Uttarakhand	2010	Hormonal (oral, injectables and topical)	1	• QMS Certification Services Private Limited (ISO 9001:2015 and ISO 14001:2015) • RIR Certification Private Limited (ISO 45001:2018) • BSI Certification (ISO 50001:2018) • Food Safety and Drug Administration, Uttarakhand • Ministry of Health, Cambodia • Food Medicine and Healthcare Administration and Control Authority, Ethiopia • National Agency of Drug and Food Control, Indonesia • Pharmacy, Medicines and Poisons Board, Malawi • Ministry of Health and Population, Nepal • National Agency for Food and Drug Administration and Control, Nigeria • Food and Drug Administration, Philippines • Ministry of Health, Vietnam
Unit 5, Haridwar, Uttarakhand	2010	Dermatology and cosmetics	1	• QMS Certification Services Private Limited (ISO 9001:2015 and ISO 14001:2015) • RIR Certification Private Limited (ISO 45001:2018) • BSI Certification (ISO 50001:2018) • Food Safety and Drug Administration, Uttarakhand
Unit 6, Haridwar, Uttarakhand	2010	Ayurvedic / Nutraceuticals	1	• RIR Certification Private Limited (ISO 45001:2018, ISO 22000:2018, ISO 9001:2015 and ISO 14001:2015) • BSI Certification (ISO 50001:2018) • QMS Certification Services Private Limited (Hazard Analysis Critical Control Point)

Unit	Year of commencement of operations	Dosage Forms	Number of production blocks	Major Accreditations/Certifications and Certifying Authorities
				• NSF International • System and Solution Private Limited • The United States Food and Drug Administration • Jamiat Ulama-i-Hind Halal Trust • State Licence Authority of Ayurvedic & Unani, Uttarakhand
Unit 7, Haridwar, Uttarakhand	2014	Oral solids, oral liquids, topical and injectable	4	• RIR Certification Private Limited (ISO 45001:2018, ISO 9001:2015 and ISO 14001:2015) • BSI Certification (ISO 50001:2018) • Food Safety and Drug Administration, Uttarakhand • Ministry of Public Health and Population, Yemen
Unit 8, Haridwar, Uttarakhand	2014	Anti-bacterials and steroids	4	• RIR Certification Private Limited (ISO 45001:2018, ISO 9001:2015 and ISO 14001:2015) • BSI Certification (ISO 50001:2018) • Food Safety and Drug Administration, Uttarakhand • Ministry of Health, Cambodia • Pharmacy and Poisons Board, Kenya • Pharmacy, Medicines and Poisons Board, Malawi • National Agency for Food and Drug Administration and Control, Nigeria • Tanzania Medicines and Medical Devices Authority • National Drug Authority, Uganda
Unit 9, Kotdwar, Uttarakhand	2021	Penam anti-infectives	2	• RIR Certification Private Limited (ISO 45001:2018, ISO 9001:2015 and ISO 14001:2015) • Food Safety and Drug Administration, Uttarakhand
Unit 10, Baddi, Himachal Pradesh	2023	Oral solids and oral liquids	4	—
Unit 11, Haridwar, Uttarakhand	2023	Injectables	1	—
Unit 12, Baddi, Himachal Pradesh	2023	—	—	—

API manufacturing units

Unit	API	Number of production blocks	Major Accreditations/Certifications and Certifying Authorities
Dera Bassi, Punjab	Beta-lactam range	6	• QMS Certification Services Private Limited (ISO 9001:2015 and ISO 14001:2015) • RIR Certification Private Limited (ISO 45001:2018) • Food and Drugs Administration, Punjab
Lalru, Punjab	General range of APIs	3	• RIR Certification Private Limited (ISO 45001:2018, ISO 9001:2015 and ISO 14001:2015)
Barwala, Haryana	HPAPI, Oncology and other high potent APIs	1	• RIR Certification Private Limited (ISO 45001:2018, ISO 9001:2015 and ISO 14001:2015)

Capacity Utilization

The following table sets forth certain information relating to our installed operating capacity and capacity utilisation for our manufacturing units for the periods/years indicated:

Annual Production Capacity

Unit	As of/for the six months ended September 30, 2023		As of/for the year ended March 31,					
			2023		2022		2021	
	Installed capacity* *(in millions)*	Capacity utilization as % of installed capacity*	Installed capacity *(in millions)*	Capacity utilization as % of installed capacity	Installed capacity *(in millions)*	Capacity utilization as % of installed capacity	Installed capacity *(in millions)*	Capacity utilization as % of installed capacity
Unit 1, Haridwar, Uttarakhand	6,492.00	31.50%	6,492.00	24.36%	6,492.00	39.84%	6,492.00	50.11%
Unit 2, Haridwar, Uttarakhand	150.00	66.85%	150.00	55.96%	150.00	67.06%	150.00	33.73%
Unit 3, Haridwar, Uttarakhand	369.60	60.95%	369.60	54.33%	369.60	62.01%	369.60	53.35%
Unit 4, Haridwar, Uttarakhand	2,436.00	17.06%	2,436.00	11.95%	2,436.00	14.04%	2,436.00	9.28%
Unit 5, Haridwar, Uttarakhand	57.60	55.43%	57.60	35.35%	57.60	33.15%	57.60	39.49%
Unit 6, Haridwar, Uttarakhand	2,519.60	27.41%	2,509.60	24.09%	2,509.60	28.58%	2,148.00	36.06%
Unit 7, Haridwar, Uttarakhand	26,025.00	51.48%	26,025.00	44.41%	25,971.00	49.31%	20,175.00	56.81%
Unit 8, Haridwar, Uttarakhand	7,316.40	28.75%	7,316.40	21.54%	7,316.40	28.30%	7,316.40	19.37%

Unit	As of/for the six months ended September 30, 2023		As of/for the year ended March 31,					
			2023		2022		2021	
	Installed capacity* *(in millions)*	Capacity utilization as % of installed capacity*	Installed capacity *(in millions)*	Capacity utilization as % of installed capacity	Installed capacity *(in millions)*	Capacity utilization as % of installed capacity	Installed capacity *(in millions)*	Capacity utilization as % of installed capacity
Unit 9, Kotdwar, Uttarakhand	168.00	1.19%	168.00	0.94%	NA	NA	NA	NA
Unit 10, Baddi, Himachal Pradesh	3,674.78	0.63%	3674.78	NA	NA	NA	NA	NA

**Annualized for the six months ended September 30, 2023*

Unit	As of/for the six months ended September 30, 2023		As of/for the year ended March 31,					
			2023		2022		2021	
	Installed capacity* (*in MT*)	Capacity utilization as % of installed capacity*	Installed capacity (*in MT*)	Capacity utilization as % of installed capacity	Installed capacity (*in MT*)	Capacity utilization as % of installed capacity	Installed capacity (*in MT*)	Capacity utilization as % of installed capacity
Dera Bassi, Punjab	557.00	36.10%	530.00	28.14%	530.00	29.47%	530.00	NA
Lalru, Punjab	180.00	11.29%	109.00	37.11%	109.00	1.56%	109.00	NA

**Annualized for the six months ended September 30, 2023*

Particulars	As of/for the six months ended September 30, 2023		As of/for the year ended March 31,					
			2023		2022		2021	
	Installed capacity* (production volume in millions)	Capacity utilization as % of installed capacity*	Installed capacity (production volume in millions)	Capacity utilization as % of installed capacity	Installed capacity (production volume in millions)	Capacity utilization as % of installed capacity	Installed capacity (production volume in millions)	Capacity utilization as % of installed capacity
Oral solids	47,888.78	38.52%	47,878.78	32.16%	44,138.20	41.47%	37,984.20	44.75%
Sterile	744.20	50.32%	744.20	46.95%	722.40	52.54%	722.40	40.33%
Liquids	417.60	37.88%	417.60	31.05%	283.20	52.51%	279.60	28.43%
External	158.40	34.62%	158.40	25.21%	158.40	23.25%	158.40	21.12%

**Annualized for the six months ended September 30, 2023*

Note: Information relating to the installed manufacturing capacity and capacity utilization of our manufacturing units is based on several assumptions and estimates of our management, including expected operations, availability of raw materials, expected unit utilization levels, downtime resulting from scheduled maintenance activities, downtime resulting from change in stock keeping units for a particular product, unscheduled breakdowns, mould changeover, and expected operational efficiencies, that have been taken into account by an independent chartered engineer in their certificate dated February 10, 2024, as set forth below:

1. *It has been considered that each manufacturing unit operates for approximately 300 days in a year (excluding holidays and weekends) in three shifts daily against installed capacity for calculation of capacity utilization.*
2. *Calculation of capacity utilization has been done on the basis of actual production during the relevant period divided by the installed capacity of respective manufacturing units as of the end of the respective period/financial years.*
3. *Maximum rated capacity provided by equipment manufacturer during installation qualification for an installed equipment has been considered for calculation for the installed capacity of the manufacturing units.*
4. *Scheduled maintenance of equipment, cleaning validation performed on equipment, material loading unloading time and breaks between batches were considered to calculate the capacity utilization during the mentioned period.*

Raw Materials

We rely on various suppliers in India and overseas for provision of raw materials. We enter into master agreements with the suppliers of our raw materials and procure our raw material from our suppliers on a purchase order basis. We also routinely monitor the availability and pricing of raw materials on a regular basis and actively leverage our size and purchasing power to ensure that we have access to raw materials in a cost-efficient manner.

The key raw materials that we use for our manufacturing operations are set out as under:

- *CDMO business:* The raw materials required for our CDMO business include APIs, excipients, and various packaging materials.

- *Branded and generic formulations business:* In this vertical, the key raw materials are finished pharmaceuticals, nutraceuticals and wellness formulations.

- *API business:* For our API business, the raw materials required primarily consist of key starting materials, intermediates, and solvents.

We seek to de-risk our operations by continuing to diversify our procurement base, reduce the amount of materials that we import and procure more materials from Indian suppliers. We also conduct tests and analysis on raw materials supplied by our vendors periodically to maintain quality standards.

Research and Development

We have an established track record of excellence in R&D. Our commitment to innovation and continuous improvement has enabled us to remain at the forefront of pharmaceutical advancements in the CDMO sector. Our R&D teams are dedicated to developing differentiated dosages, enhancing manufacturing processes, and exploring novel therapeutic areas. Our R&D initiatives are aimed at innovation in relation to taste and odour masking, targeted drug release, solubility/dissolution enhancement, reduced excipient burden, permeation enhancement, and stability enhancement, among others. Our focus on R&D has resulted in the development of 208 innovative formulations since the commencement of our operations. The graphic below sets forth our various in-house technologies that have been developed by us:

Our R&D Centres

As of September 30, 2023, we operated R&D centres in Haridwar, Uttarakhand and Mumbai, Maharashtra to focus on the development of new pharmaceutical formulations, and one centre in Barwala, Haryana dedicated to our API business. We have also established a commercial stability centre and testing lab at Upadhrish, Haridwar, Uttarakhand to conduct stability studies for our clients. For further details, see "— *Quality Control*" below.

The table below provides details of our R&D centres, as of September 30, 2023:

Location	Segment	Description
Haridwar, Uttarakhand	CDMO	R&D centre for formulations across various dosage forms, including oral solids, liquids, injectables and topicals.

Location	Segment	Description
Haridwar, Uttarakhand	CDMO	R&D centre for drugs and nutraceutical formulation, across dosage forms such as modified-release oral solids, injectables, nasal sprays, gummies, protein powders and oral liquids.
Mumbai, Maharashtra	CDMO	R&D centre for export-oriented branded formulations for regulated and semi-regulated countries. Capabilities include tablets, capsules, ophthalmics, lyophilized injectable, sterile products and hormones.
Barwala, Haryana	API	R&D centre dedicated to APIs, intermediates and key starting material.

As of September 30, 2023, our R&D units were equipped with 332 R&D scientists employed with us on a full-time basis. Set forth below are the details of our expenses on R&D initiatives:

Particulars	For the six months ended September 30, 2023		For the Financial Year					
			2023		2022		2021	
	(₹ in millions)	% of revenue from operations	(₹ in millions)	% of revenue from operations	(₹ in millions)	% of revenue from operations	(₹ in millions)	% of revenue from operations
R&D expenses	516.54	2.40	979.64	2.68	713.02	1.94	587.56	2.16

Quality Control

We believe that maintaining adequate control of the quality of our products is critical to our success and continued growth. We have formulated and adopted a quality control policy prescribing stringent quality control practices to ensure optimum quality standards. We leverage technology to ensure quality control and compliance across our operations. We perform regular audits on our manufacturing units and regularly review and update our procedures and practices to ensure compliance with international regulatory requirements. Further, our contractual arrangements provide for periodic inspections and audits by our clients to ensure adherence to quality standards and other specifications. Our manufacturing units are also subject to periodic audits by regulatory authorities.

We employ internal controls and standards to ensure consistency, quality and adherence to regulatory and contractual guidelines in relation to our products. This involves identifying various process elements at each level, defining appropriate quality criteria for each element, and developing suitable metrics to measure the efficiency and results of the process. To ensure accuracy, we maintain batch manufacturing and production records. Our stability centres are in compliance with 'ICH Q1A (R2) – Stability testing of new drug substances and drug products' guidelines issued by the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use. As of September 30, 2023, we have 2,132 employees in our quality assurance and quality control departments. Further, three of our laboratories have been accredited by National Accreditation Board for Testing and Calibration Laboratories.

During the six months ended September 30, 2023 and the Financial Years 2023, 2022 and 2021, we conducted 303 audits and inspections at our suppliers' facilities. Furthermore, during the six months ended September 30, 2023, and the Financial Years ended 2023, 2022 and 2021, our manufacturing units were subject to 31 inspections by regulators and 517 audits by our clients (Source: *F&S Report*).

Compliance and Safety

We are subject to significant environmental laws and regulations, including regulations relating to the prevention and control of water pollution and air pollution, environment protection, hazardous waste management and noise pollution. These regulations govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from our operations. We also handle hazardous materials such as isopropyl alcohol and methylene dichloride, among others. For a detailed description of key regulations and policies applicable to our business operations, see "*Key Regulations and Policies in India*" on page 194. We implement regular and strict monitoring to comply with pollution control norms, with a commitment to reduce, recycle and reuse resources for conservation and waste reduction, wherever feasible. We provide clean, safe and healthy working environment for our all employees. We have periodic medical check-up of all our employees. We also conduct regular training workshops for employees involved in handling materials, operating various process, waste generation and treatment. We are committed to safe and accident-free operations in all our establishments. We conduct frequent fire safety mock drills and intensive training programs to inculcate safety awareness and adherence to safety policies and periodic internal and external audit for ensuring compliance to our safety policy.

Environmental, Social and Governance Initiatives

The following are some of our key environmental, social and governance ("**ESG**") initiatives:

Environmental Initiatives

As of September 30, 2023, the environmental management systems of 12 of our manufacturing units (for both CDMO and API manufacturing) are certified as per ISO 14001:2015 and eight of our manufacturing units (for both CDMO and API manufacturing) are certified as per ISO 50001:2018 standards. We have also installed effluent treatment plants at our manufacturing units. In addition, we participated in the 'Clean Ganga' initiative through which we engage in efforts to clean the Ganges river, and organised tree plantation drives at SIDCUL, Haridwar, Uttarakhand and the surrounding community areas.

Social Initiatives

As part of our social initiatives, we are engaged in community engagement programs which support diverse causes such as healthcare, cleanliness and education. We undertook installation of drinking water coolers, donation of blankets and sweaters, infrastructure development as per community requirements, and organisation of blood donation camps. We promote equal opportunities and inclusion in our employment initiatives for local youth and women. As a result, our female workforce representation was 22.21% as of September 30, 2023. During the Financial Years 2023, 2022 and 2021, we contributed an aggregate of ₹94.35 million towards corporate social responsibility initiatives. Further, through Akums Skill Development Centre ("**ASDC**"), recognized by Life Sciences Sector Skill Development Council, we provide skill development and training programs to pharmaceutical professionals.

Governance

We have implemented a code of conduct and other policies to ensure proper conduct by our employees, including in connection with prevention of bribery, and sexual harassment at workplace, and have also adopted a whistle blowers' policy to ensure transparency in our operations. We have also instituted a third party internal audit team. As of September 30, 2023, the quality management systems, and occupational health and safety management systems of 12 our manufacturing units (for both CDMO and API manufacturing) are certified as per ISO 9001:2015 and ISO 45001:2018 standards, respectively.

Corporate Social Responsibility

We have adopted a corporate social responsibility ("**CSR**") policy in compliance with the requirements of applicable law. We have undertaken various active CSR initiatives to contribute to the communities in which we have our operations. We actively participate in the 'Clean Ganga' initiative through which we engage in efforts to clean the Ganges River through active environmental endeavours and meaningful community participation. We also actively participated in the Kawar Mela, offering vital medical services to attendees with the availability of doctors on-site during the event. Furthermore, we offer support to schools by providing monetary aid, donate food and clothes, and actively participate in blood donation initiatives. We also organized food donation drives for patients suffering with tuberculosis under '*Pradhan Mantri TB Mukt Abhiyaan*' and '*Joshimath*' disaster victims. Pursuant to the CSR initiatives mentioned above, the expenses undertaken by us on our CSR initiatives have exceeded the statutory requirements. The table below sets forth the details of our expenses undertaken on our CSR initiatives during the six months ended September 30, 2023 and the Financial Years 2023, 2022 and 2021:

Particulars	For the six months ended September 30, 2023	For the Financial Year		
		2023	2022	2021
Corporate Social Responsibility expenses *(₹ in millions)*	19.38	33.72	21.62	39.01
Percentage of total expenses (%)	0.09	0.10	0.06	0.15

Insurance

Our operations are subject to hazards inherent in manufacturing units such as the risk of equipment failure, work accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. We may also be subject to product liability claims if the products that we manufacture are not in compliance with regulatory standards and the terms of our contractual arrangements. We maintain insurance policies that we believe are customary for companies operating in our industry. Our principal types of coverage include insurance for fire, burglary, loss of profit, money, group mediclaim, group personal accident, workmen compensation, boilers, comprehensive liability, crime, cybercrime, director liability, standalone terrorism, clinical trial, and marine insurance. Set forth below are the details of our total assets and insurance coverage:

Particulars	For the six months ended September 30, 2023	For the Financial Year		
		2023	2022	2021
Total assets (*in ₹ million*) (A)	36,046.13	32,665.27	30,690.48	21,668.71
Total book value of assets on which insurance has been taken (*in ₹ million*) (B)	17,856.77	18,007.90	16,520.60	12,320.56
Insurance coverage (*in ₹ million*) (C)	28,837.74	27,887.46	24,368.41	11,332.10
% of insurance coverage (%) (C/B)	161.49	154.86	147.50	91.97

Our insurance policies may not be sufficient to cover our economic loss. See "*Risk Factors – Internal Risk Factors – Our insurance coverage may not be sufficient or adequate to cover our losses and liabilities. If we suffer a large uninsured loss or* *an insured loss that significantly exceeds our insurance coverage, our business, results of operations, financial condition and cash flows may be adversely affected*” on page 40.

Information Technology

We are equipped with advanced technology systems through which we aim to achieve higher levels of cost-efficiency, agility, flexibility and competitiveness in our operations. We maintain our IT services applications on our in-house captive data centre equipped with hyperconverged infrastructure, with software-defined wide area network connectivity and a helpdesk driven by an IT infrastructure library. Set forth below are the details of some of our technological tools:

- SAP ERP: We have employed SAP ERP, an enterprise resource planning software for all our critical business transactions across supply chain management systems, warehousing operations, quality management systems and financial modules.

- SAP Success Factors: We have implemented SAP Success Factors, a cloud-based software for human capital management, to digitize the human resource management life cycle.

- Salesforce Cloud CRM: We use Salesforce Cloud-CRM, a client relationship management software, to focus on the development of a client-centric business culture. The primary goal of this system is to integrate and automate sales, marketing and client support functions and increase efficiency and the effectiveness of our operations.

- Laboratory Information Management System (“**LIMS**”): We use LIMS, a software solution that addresses the data management, automation, and regulatory needs of laboratories, to effectively manage laboratory samples and associated data. Further it helps in automation of workflows and integration of instruments leading to reduction of human errors and increase in efficiency. Further, LIMS assists us in ensuring compliance with regulations such as Health Insurance Portability and Accountability Act of 1996, Title 21 of the Code of Federal Regulations, and General Data Protection Regulations.

- Electronic Quality Management Software (“**e-QMS**”): We use e-QMS, a formalized system for documenting processes, procedures and responsibilities to formulate policies. It assists us in coordination of activities to meet client and regulatory requirements and improve efficiency on a continuous basis. It consists of handling corrective and preventive actions, change control, market complaints, deviations, audits, vendor qualifications, and lab incidents, among others.

- Intranet Portal: ‘MyAkums’, our intranet portal is a framework for integration of information and processes, and acts as a single access point for information and system engagement. It provides multiple single-point services such as bookings, reimbursements, helpdesk tickets, change controls, courier services, facility management, visitor management, user access management, capex approvals and incident management.

- Business Intelligence: We use business intelligence software and databases to analyse business data in order to gain actionable insights and to ensure informed decision-making across supply chain, portfolio and finance verticals.

Competition

As a CDMO, our primary competitors are other contract manufacturers who provide outsourcing services for the production of pharmaceutical and nutraceutical products. We face competition from full-service pharmaceutical outsourcing or CDMO companies, contract manufacturers offering limited number of dosage forms, as well as contract manufacturers capable of offering multiple dosage forms. Additionally, we encounter competition from large pharmaceutical companies that extend third-party manufacturing services to utilize their excess capacity.

Moreover, in our branded and generic formulations business, we compete with other marketing companies operating on a pan-India scale, multinational pharmaceutical corporations, and regional pharmaceutical companies, all involved in the promotion and sale of pharmaceutical formulations.

Lastly, in our API business, we primarily compete with other API manufacturers engaged in the development and production of APIs, which are crucial components of pharmaceutical formulations.

Intellectual Property

As one of the leading CDMOs in India, we own the intellectual property for the manufacturing processes of several of our formulations. We have procured five patents as of September 30, 2023. These patents pertain to our intellectual property rights over various dosage forms, formulations and processes. We have also obtained registration for or have applied for registration under the Trademarks Act under various classes. We hold 1,391 registered trademarks and have 574 pending trademark applications in several classes. For details, see “*Government and Other Approvals*” on page 386.

Employees

Our work force is a critical factor in maintaining quality and safety to strengthen our competitive position. As of September 30, 2023, we employed a total of 16,463 personnel, including 7,211 full-time employees and 9,252 personnel on a contractual basis across our business. We train our employees on a regular basis to increase the level of operational excellence, improve productivity and maintain compliance standards on quality and safety. The table below provides the breakdown of our employees by function, as of September 30, 2023:

Function	Number of Employees
Production/operations	7,728
Sales and marketing	2,037
Finance and accounts	128
Supply chain	1,649
Research and development	514
Quality control/quality assurance	2,132
Human resources, Admin, Legal, and Managing Directors' office	1,084
Information technology	68
Environment, health and safety, and CSR	128
Engineering	995
Total	**16,463**

Further, the table below sets forth the breakdown of the educational qualifications of our employees as of September 30, 2023:

Educational Qualification	Number of Employees
Postgraduate	1,955
Graduate	4,188
Undergraduate	10,320
Total	**16,463**

Awards

Since April 1, 2020, we have received a number of awards. Some of these awards are provided below:

- 'Excellence in Innovation & Formulation Award in Nutraceuticals & Wellness' at the Food Safety and Nutrition Summit and Awards, 2023
- 'Excellence in Formulations' award by the Economic Times in 2023
- 'Dream Employer of the Year' award by Times Ascent in 2023
- 'Excellence Award in Nutraceutical Category' by IHW Council in 2023
- 'Best Brands Based in North India' award by Exchange4media in 2023
- 'Asia's Pharma Excellence Award' under the innovation in nutraceutical, cosmetics and wellness category by CMO Asia in 2022
- 'Leading Entrepreneurs in the Pharmaceutical Industry' award to Sanjeev Jain and Sandeep Jain by Times Ascent in 2022
- 'Excellence in Operations for Manufacturing' award at India Pharma Awards, CPHI in 2022
- National Awards for Excellence in R&D and Innovation by ET Ascent in 2022
- 'International Healthcare Award' for 'Pharmaceutical Company of the Year (2021 - 22) in Contract Manufacturing' by Times Cyber Media in 2022
- 'Indian Pharma Award for Excellence in Contract Research and Manufacturing' at Convention on Pharmaceutical Ingredients, 2021

Properties

The Registered Office of our Company is located at 304, Mohan Place, Local Shopping Complex, Block-C, Saraswati Vihar, New Delhi 1100034, Delhi, India and our Corporate Office is located at Plot No. 131 to 133, Block-C, Mangolpuri Industrial Area, Phase-I, New Delhi 110083, Delhi, India. Our Registered Office and our Corporate Office are located on premises held by us on a leasehold basis. Our manufacturing units are located in the states of Uttarakhand, Himachal Pradesh, Punjab and Haryana. As of September 30, 2023, five of our manufacturing units are owned by us, and we have availed lease arrangements ranging for over 90 years from State Industrial Development Corporations of Uttarakhand and Haryana State Industrial and Infrastructure Development Corporation for 10 of our manufacturing units.

KEY REGULATIONS AND POLICIES IN INDIA

The following is a brief overview of certain sector specific laws and regulations in India which are applicable to the business and operations of our Company. The information in this section has been obtained from legislations, including rules, regulations, guidelines and circulars promulgated and issued by regulatory bodies that are available in the public domain. The description of laws and regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. For details of the government approvals obtained by our Company, see "Government and Other Approvals" beginning on page 386.

Key Legislations Applicable to our Business

Drugs and Cosmetics Act, 1940 (the "Drugs Act"), the Drugs and Cosmetics Rules, 1945 (the "Drugs Rules")

The Drugs Act regulates the import, manufacture, distribution, and sale of drugs and prohibits the import, manufacture and sale of certain drugs and cosmetics which are, *inter alia*, misbranded, adulterated or spurious. The Drugs Act and the Drugs Rules specify the conditions for grant of a license for the manufacture, sale, import or distribution of any drug or cosmetic. They further mandate that every person holding a license to maintain such records that may be open to inspection by relevant authorities. Any violations of the provisions of the Drugs Act, including those pertaining to the manufacturing and import of spurious drugs, non-disclosure of specified information and a failure to keep the required documents are punishable with a fine, or imprisonment or both.

The Drugs Rules lay down the functions of the central drugs laboratory established under Section 6 of the Drugs Act. Under the Drugs Rules, an import license is required for importing drugs. The form and manner of application for import license has also been provided under the Drug Rules.

Drugs, Medical Devices and Cosmetics Bill, 2022 (the "Drugs Bill, 2022")

In July 2022, the Ministry of Health and Family Welfare, Government of India, released a draft of the Drugs Bill, 2022. The Drugs Bill, 2022 is proposed to amend and consolidate the laws relating to, *inter alia,* import, manufacture, distribution and sale of drugs and medical devices and cosmetics as well as the law relating clinical trials of new drugs and clinical investigation of investigational medical devices. The Drugs Bill, 2022 lays down the standards of the quality of imported drugs and cosmetics and circumstances under which these would be deemed to be adulterated, spurious and misbranded. Under the Drugs Bill, 2022, the central government has the power to prohibit or restrict or regulate the import of drugs and cosmetics in public interest including to meet the requirements of an emergency arising due to epidemic or natural calamities. Further, it lays down the standards of quality for manufacture, sale and distribution of drugs and cosmetics and clinical trial of drugs. The Drugs Bill, 2022 also proposes establishment of several boards and committees to assist and advise the Central and State Governments in the administration and regulation of drugs, cosmetics and medical devices.

While the Ministry of Health and Family Welfare, Government of India, had intended to table the Drugs, Medical Devices and Cosmetics Bill, 2023 *("**Drugs Bill, 2023**")* in the Parliament in its Monsoon session this year, the same was, eventually, not tabled. The Drugs Bill, 2023 sought to repeal the Drugs Act. It also sought to regulate the import, manufacture, distribution and sale of drugs, medical devices, and cosmetics, and provide for regulatory standards to ensure their quality, safety, efficacy and performance.

Cosmetics Rules, 2020 (the "Cosmetic Rules")

Under the Cosmetic Rules, no cosmetic shall be imported into India unless the product has been registered in accordance with these rules by the central licensing authority i.e., the Drugs Controller General of India, appointed by the Central Government. Further, any person who intends to manufacture cosmetics shall make an application for grant of a license or loan license to manufacture for sale or for distribution to the state licensing authority. Also, it needs to be ensured that if cosmetics are manufactured at more than one premises, a separate license is obtained for each such premises. Under the Cosmetic Rules, each batch of the raw materials used for manufacturing the cosmetics, and also each batch of the final product is required to be tested and the records or registers showing the particulars in respect of such tests is required to be maintained. The Cosmetic Rules further prescribes the labelling and packaging requirements to be followed for sale or distribution of cosmetics of Indian origin.

Drugs (Control) Act, 1950 (the "Drugs Control Act")

The Drugs Control Act provides for control of sale, supply, and distribution of drugs. Under the Drugs Act, any drug may be declared by the Central Government by notification to be a drug within its purview. The authorities may also prohibit the disposal or direct the sale of any specified drug.

Drugs (Prices Control) Order, 2013 (the "DPCO")

The DPCO has been notified under the Essential Commodities Act, 1955 ("**ECA**"). The first schedule to the DPCO consists of a list of essential medicines or formulations. In relation to these scheduled formulations, the DPCO *inter alia* prescribes the method for calculating the ceiling price and provides that the Government shall fix and notify the ceiling prices. The DPCO also prescribes the method for calculating the retail price of a new drug in the domestic market for existing manufacturers of scheduled formulations. Further, under the DPCO, the Government has been assigned the task to monitor the production and availability of scheduled formulations and the active pharmaceutical ingredients contained in the scheduled formulation.

The Narcotic Drugs and Psychotropic Substances Act, 1985 (the "NDPS Act")

The NDPS Act is a legal framework which seeks to control and regulate the operations relating to narcotic drugs and psychotropic substances. It prohibits, *inter alia,* the cultivation, production, manufacture, possession, sale, purchase, transportation, warehousing, consumption, inter-state movement, import into India and transhipment of narcotic drugs and psychotropic substances, except for medical or scientific purposes. Offences under the NDPS Act are essentially related to violations of the various prohibitions imposed under the NDPS Act, punishable by either imprisonment or monetary fines or both.

The Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954 (the "DMRA")

The DMRA seeks to control advertisements of drugs in certain cases and prohibits advertisement of remedies that claim to possess magic qualities. In terms of the DMRA, advertisements include any notice, circular, label, wrapper or other document and any announcement made orally or by any means of producing or transmitting light, sound or smoke. It also specifies the ailments for which no advertisement is allowed. DMRA prohibits advertisements that give false impression regarding the true character of a drug, make false claims for a drug, or are otherwise false or misleading in any material particular. Further, the Drugs and Magic Remedies (Objectionable Advertisements) Rules, 1955 have been framed for effective implementation of the provisions of the DMRA.

The Dangerous Drugs Act, 1930 (the "Dangerous Drugs Act")

The Dangerous Drugs Act centralises and vests in the Central Government the control over certain operations relating to dangerous drugs. Dangerous drugs have been defined to include coca leaf, hemp and opium, and all manufactured drugs. It enables the Central Government to prescribe the method by which percentages in the case of liquid preparations shall be calculated for the purposes of coca leaf, coca derivative, opium and opium derivative. The Dangerous Drugs Act prohibits the cultivation of coca plant, manufacture and possession of prepared opium and import into India and export from India, tranship or sell prepared opium. The Central Government is also enabled to control the production and supply of opium and also the manufacture of manufactured drugs. Violations of the provisions of the Dangerous Drugs Act entail punishments including imprisonment or fine or both.

The Poisons Act, 1919 (the "Poisons Act")

The Poisons Act enables state governments to grant licenses for the possession, sale, wholesale or retail of poisons and fixing of the fee, if any, to be charged for such licenses. The Poisons Act also enables state governments to regulate the classes of persons to whom such license may be granted, the maximum quantity of poison which may be permitted to be sold, etc.

The Human Immunodeficiency Virus and Acquired Immune Deficiency Syndrome (Prevention and Control) Act, 2017 (the "HIV Act")

The HIV Act aims for the prevention and control of the spread of human immunodeficiency virus and acquired immune deficiency syndrome. It defines a protected person as someone who is HIV-positive or ordinarily living, residing or cohabiting with a person who is HIV-positive person or ordinarily lived, resided or cohabited with a person who was HIV-positive. The HIV Act prohibits discrimination against protected persons on grounds like the denial of, or termination from, employment or occupation, unless under specified circumstances; the unfair treatment in, or in relation to, employment or occupation; the denial or discontinuation of, or unfair treatment in, educational, establishments and services thereof etc. The HIV Act also prohibits certain acts which may reasonably be construed to demonstrate an intention to propagate hatred or which is likely to expose protected persons to hatred, discrimination or physical violence. Further, informed consent is required for undertaking HIV test or treatment of any person, unless under specified exemptions.

The Pharmacy Act, 1948 (the "Pharmacy Act")

The Pharmacy Act regulates the profession and practice of pharmacy and for that purpose to constitutes pharmacy councils. It provides for establishment of the Pharmacy Council of India and the State Pharmacy Councils. It has provisions for, *inter alia*, the registration of pharmacists and consequent penalties in the event of non-registration, false registration etc.

National Pharmaceuticals Pricing Policy, 2012 (the "2012 Policy")

The 2012 Policy intends to provide the principles for pricing of essential drugs specified in the National List of Essential Medicines – 2011 ("**NLEM**") declared by the Ministry of Health and Family Welfare, Government of India and modified from time to time, in order to ensure the availability of such medicines at reasonable price, while providing sufficient opportunity for innovation and competition to support the growth of the industry. The prices are regulated based on the essential nature of the drugs. Further, the 2012 Policy regulates the price of formulations only, through market-based pricing which is different from the earlier principle of cost-based pricing. Accordingly, the formulations will be priced by fixing a ceiling price and the manufacturers of such drugs will be free to fix any price equal to or below the ceiling price.

The New Drugs and Clinical Trial Rules, 2019 (the "NDC Rules")

The clinical trials in India are controlled by the Directorate General ("**DG**") of health services under the Ministry of Health and Family Welfare, Government of India. The NDC Rules lay down the process mechanics and guidelines for clinical trials, including procedure for approval for clinical trials. Clinical trials require obtaining of free, informed, and written consent from each study subject. The NDC Rules also provide for compensation in case of injury or death caused during the clinical trials. The Central Drugs Standard Control Organization has issued the guidance for industry for submission of clinical trial application for evaluating safety and efficacy, for the purpose of submission of clinical trial application as required under the NDC Rules. Further, under the NDC Rules, the ethics committee constituted thereunder is required to register itself with the central licensing authority in order to conduct any clinical trial, bioavailability study or bioequivalence study. The NDC Rules further provide for the composition and functions of the ethics committee and its period of validity. The NDC Rules further mandate the maintenance of records for a period of five years after completion of the clinical trial, bioavailability study or bioequivalence study, as the case may be.

Guidelines for Good Clinical Laboratory Practices 2021 (the "GCLP Practices")

The CGLP Practices are a set of principles that define a quality system concerned with the organisational process and the conditions under which laboratory studies are planned, performed, monitored, recorded, archived and reported. It is intended to promote quality test data. The GCLP Guidelines establish minimum criteria which should be followed by clinical and research laboratories involved in examining human samples, in routine healthcare delivery and clinical research, respectively, in addition to internationally accepted guidelines. All clinical laboratories wherein human samples are processed, may be tested under the following disciplines (but not limited to) for diagnosis, patient care, disease control and clinical research should follow good clinical laboratory practices: microbiology and infectious disease serology, haematology and blood banking, molecular biology and molecular pathology, clinical pathology, clinical biochemistry-routine and special (TDM, immunoassays), histopathology and cytopathology, histopathology and cytopathology.

The Essential Commodities Act, 1955 (the "ECA")

The ECA empowers the Central Government, to control the production, supply and distribution of trade and commerce in certain essential commodities for maintaining or increasing supplies or for securing their equitable distribution and availability at fair prices or for securing any essential commodity for the defence of India or the efficient conduct of military operations. Under the ECA, an essential commodity means a commodity specified in the Schedule to the ECA, which is updated and notified from time to time. Using the powers under it, the Central Government has issued control orders for *inter alia* controlling the price of, regulating by licenses, permits or otherwise the production or manufacture of any essential commodity. Violations under the ECA are punishable by either imprisonment or monetary fines or both.

The Petroleum Act, 1934 ("Petroleum Act") and Petroleum Rules, 2002

The Petroleum Act was passed to consolidate and amend the laws relating to the import, transport, storage, production, refining and blending of petroleum. The Petroleum Act provides that no one shall import, transport, or store any petroleum and produce, refine or blend petroleum save in accordance with the rules made the Petroleum Act. Section 23 provides the penalty for contravention of the Petroleum Act and the Petroleum Rules. The Petroleum Rules lay down rules in relation to *inter alia* restriction on delivery and dispatch of petroleum, importation of petroleum, and transportation of petroleum.

Food Safety and Standards Act, 2006 ("FSSA") and rules and regulations made thereunder

The FSSA was enacted with a view to consolidate the laws relating to food and to establish the Food Safety and Standards Authority of India (**"FSSAI"**) for laying down scientific standards for articles of food and to regulate their manufacture, storage, distribution, sale and import to ensure availability of safe and wholesome food for human consumption. The FSSAI has been established under section 4 of the FSSA. Section 16 of the FSSA lays down the functions and duties of the FSSAI including FSSAI's duty to provide scientific advice and technical support to the Government of India and the state governments in framing the policy and rules relating to food safety and nutrition. The FSSA also sets out requirements for licensing and registering food businesses, general principles for food safety, and responsibilities of the food business operator and liability of manufacturers and sellers, and adjudication by the Food Safety Appellate Tribunal. The FSSA also lays down penalties for various offences (including recall procedures). In addition to the FSSA, the following rules and regulations passed under the FSSA are applicable to our Company:

- Food Safety and Standards Rules, 2011;
- Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011;
- Food Safety and Standards (Food Recall Procedure) Regulations, 2017;

- Food Safety and Standards (Packaging and Labelling) Regulations, 2011;
- Food Safety and Standards (Food Products Standards and Food Additives) Regulations, 2011;
- Food Safety and Standards (Contaminants, Toxins and Residues) Regulations, 2011;
- Food Safety and Standards (Packaging) Regulations, 2018; and
- Food Safety and Standards (Labelling and Display) Regulations, 2020.

Legal Metrology Act, 2009 (the "LM Act") and the Legal Metrology (Packaged Commodities) Rules, 2011 (the "LM Rules")

The LM Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure, or number. The LM Act provides for *inter alia* standard weights and measures and requirements for verification and stamping of weight and measure. LM Rules *inter alia* provide that certain commodities shall be packed for sale, distribution and delivery in standard quantities as laid down under the LM Rules. LM Rules also provide for declarations that must be made on packages, where those declarations should appear on the package and the manner in which the declaration is to be made.

Bureau of Indian Standards Act, 2016 (the "BIS Act")

The BIS Act establishes the Bureau of Indian Standards (BIS) as the National Standards Body of India. The BIS Act has enabling provisions for the Government to bring under compulsory certification regime any goods or article of any scheduled industry, process, system or service which it considers necessary in the public interest or for the protection of human, animal or plant health, safety of the environment, or prevention of unfair trade practices, or national security. The BIS Act also allows multiple type of simplified conformity assessment schemes including self-declaration of conformity against a standard which will give simplified options to manufacturers to adhere to the standards and get certificate of conformity. The BIS Act enables the Central Government to appoint any authority/agency, in addition to the BIS, to verify the conformity of products and services to a standard and issue certificate of conformity. Further, there is also a provision for repair or recall, including product liability of the products bearing standard mark but not conforming to the relevant Indian Standard.

Consumer Protection Act, 2019 (the "Consumer Protection Act") and the rules made thereunder

The Consumer Protection Act, which repeals the Consumer Protection Act, 1986, was designed and enacted to provide simpler and quicker access to redress consumer grievances. It seeks, *inter alia* to promote and protect the interests of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practiced by manufacturers, service providers and traders. The definition of "consumer" under the Consumer Protection Act also includes persons engaged in offline or online transactions through electronic means or by tele-shopping or direct-selling or multi-level marketing. It provides for the establishment of consumer disputes redressal forums and commissions for the purposes of redressal of consumer grievances. In addition to awarding compensation and/or passing corrective orders, the forums and commissions under the Consumer Protection Act, in cases of misleading and false advertisements, are empowered to impose imprisonment for a term which may extend to two years and fine which may extend to ten lakhs.

The Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022 ("Advertisement Guidelines")

The Advertisement Guidelines provide for the prevention of false or misleading advertisements and making endorsements relating thereto. The Advertisement Guidelines apply *inter alia* to a manufacturer and to all advertisements regardless of form, format or medium. The Advertisement Guidelines law down the conditions for non-misleading and valid advertisement and prohibit surrogate or indirect advertisements of goods or services whose advertising is prohibited or restricted by law, by portraying it to be an advertisement for other goods or services, the advertising of which is not prohibited or restricted by law. Further, the Advertisement Guidelines lay down duties of *inter alia* a manufacturer and provide *inter alia* that every manufacturer shall ensure that all descriptions, claims and comparisons in an advertisement which relate to matters of objectively ascertainable facts shall be capable of substantiation. The Advertisement Guidelines further provide that any endorsement in an advertisement must reflect the genuine, reasonably current opinion of the individual, group or organisation making such representation and must be based on adequate information about, or experience with, the identified goods, product or service and must not otherwise be deceptive.

The Collection of Statistics Act, 2008 (the "Statistics Act")

The Statistics Act enables the central, state and local governments to direct that the statistics on economic, demographic, social, scientific and environmental aspects shall be collected through a statistical survey or otherwise and thereupon, the provisions of the Statistics Act would apply to such statistics. The central or the state government have also been enabled to appoint a nodal officer for the purposes of statistics under the Act. The appropriate government i.e., the Central Government or the State Government or the Union Territory Administration or the local government, as the case may be can also appoint statistics officers for any geographical unit for the purpose of collecting any statistics directed by it.

Shops and establishments legislations

Under the provisions of local shops and establishments legislations applicable in the states in India where our establishments are set up and business operations exists, such establishments are required to be registered. 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 records, maintenance of shops and establishments and other rights and obligations of the employers and employees. These shops and establishments' acts, and the relevant rules framed thereunder, also prescribe penalties in the form of monetary fine or imprisonment for violation of provisions, as well as procedures for appeal in relation to such contravention of the provisions.

The Warehousing (Development & Regulation) Act, 2007 (the "Warehousing Act")

The Warehousing Act makes provisions for the development and regulation of warehouses, negotiability of warehouse receipts, establishment of a Warehousing Development and Regulatory Authority etc. It prohibits the commencement or carrying on the warehousing business by any person unless it has obtained a registration certificate in respect of the concerned warehouse or warehouses granted by the Authority under the Warehousing Act. It makes a warehouseman liable for loss of, or injury to, goods caused by his failure to exercise such care and diligence in regard to the goods as a careful and vigilant owner of the goods of the same bulk, quality and value would exercise in the custody of them in similar conditions.

The Indian Boilers Act, 1923 (the "Boilers Act") and the Indian Boiler Regulations, 1950 (the "Boilers Regulations")

The Boilers Act *inter alia* provides that no owner of a boiler shall use the boiler or permit it to be used unless it has been registered in accordance with the provisions of this Boilers Act. Under the Boilers Act, "boiler" means a pressure vessel in which steam is generated for use external to itself by application of heat which is wholly or partly under pressure when steam is shut off. The Boilers Act also provides for penalties for illegal use of boilers, penalty for breach of rules and other penalties. The Boilers Regulations provide for inter alia, standard requirements with respect to material, construction, safety and testing of boilers.

The Explosives Act, 1884 ("Explosives Act") and the Rules thereunder

The Explosives Act is a comprehensive law which regulates by licensing the manufacturing, possession, sale, transportation, export and import of explosives. Under the Explosives Act, "explosive" means *inter alia* any substance, whether a single chemical compound or a mixture of substances, whether solid or liquid or gaseous, used or manufactured with a view to produce a practical effect by explosion or pyrotechnic effect shall fall under the Explosives Act. The Central Government may, for any part of India, make rules consistent with this act to regulate or prohibit, except under and in accordance with the conditions of a license granted as provided by those rules, the manufacture, possession, use sale, transport, import and export of explosives, or any specified class of explosives. Extensive penalty provisions have been provided for manufacture, import or export, possession, usage, selling or transportation of explosives in contravention of the Explosives Act. In furtherance to the purpose of the Explosives Act, the Central Government has notified the Explosive Rules and other related rules like Gas Cylinder Rules, 2016, Static and Mobile Pressure Vessels (Unfired) Rules, 2016 in order to regulate the manufacture, import, export, transport and possession for sale or use of explosives etc.

Information Technology Act, 2000 (the "IT Act")

The IT Act seeks to provide legal recognition to transactions carried out by various means of electronic data interchange and other means of electronic communication and facilitate electronic filing of documents with the Government agencies. The IT Act also creates a mechanism for the authentication of electronic documentation through digital signatures. The IT Act prescribes punishment for publishing and transmitting obscene material in electronic form. The IT Act provides for extraterritorial jurisdiction over any offence or contravention under the IT Act committed outside India by any person, irrespective of their nationality, if the act or conduct constituting the offence or contravention involves a computer, computer system or computer network located in India. Additionally, the IT Act empowers the Government of India to direct any of its agencies to intercept, monitor or decrypt any information generated, transmitted, received or stored in any computer source in the interest of sovereignty, integrity, defence and security of India, among other things.

***The Sales Promotion Employees (Conditions of Service) Act, 1976** (the "**Sales Promotion Act**")*

The Sales Promotion Act regulates certain conditions of service of sales promotion employees and applies to pharmaceutical industry. It provides, *inter alia,* conditions of appointment and leave of sales promotion employees and maintenance of registers and other documents of such employees.

Environmental Legislation

Environment Protection Act, 1986 (the "EP Act"), Environment Protection Rules, 1986 (the "EP Rules") and EIA Notification, 2006 (the "EIA")

The EP Act has been enacted with an objective of protection and improvement of the environment and for matters connected therewith. As per the EP Act, the Central Government has been given the power to take all such measures for the purpose of protecting and improving the quality of the environment and to prevent environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the EP Act, including the power to direct the closure, prohibition or regulation of any industry, operation, or process. The EP Rules prescribes the standards for emission or discharge of environmental pollutants from industries, operations, or processes, for the purpose of protecting and improving the quality of the environment and preventing and abating environmental pollution. Additionally, under the EIA Notification and its subsequent amendments, projects are required to mandatorily obtain environmental clearance from the concerned authorities depending on the potential impact on human health and resources.

The Water (Prevention and Control of Pollution) Act, 1974 (the "Water Act")

The Water Act provides for one Central Pollution Control Board, as well as state pollution control boards, to be formed to implement its provisions, including enforcement of standards for factories discharging pollutants into water bodies. The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State PCB. The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage effluent. The Water Act prescribes specific amounts of fine and terms of imprisonment for various contraventions. The Parliament of India has recently passed the Water (Prevention and Control of Pollution) Amendment Act, 2024, which seeks to amend the Water Act to, *inter alia*, decriminalize certain offences, increased penalties for violation of the provisions of the Water Act in the range of ₹ 10,000 to ₹ 1,500,000.

The Air (Prevention and Control of Pollution) Act, 1981 (the "Air Act")

The Air Act provides for the prevention, control and abatement of air pollution. Under the Air Act, the State Government may, after consultation with the state pollution control board declare, any area or areas within the State as air pollution control area or areas for the purposes of the Air Act. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to establishing or operating such industrial plant. Further, under section 22 of the Air Act, no person operating any industrial plant in any air pollution control area shall discharge or permit or cause to be discharged the emission of any air pollutant in excess of the standards laid down by the state pollution control board. The Air Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (the "Hazardous Waste Rules")

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste. Under the Hazardous Waste Rules, "hazardous waste" *inter alia* means any waste which by reason of characteristics such as physical, chemical, biological, reactive, toxic, flammable, explosive or corrosive, causes danger or is likely to cause danger to health or environment, whether alone or in contact with other wastes or substances. Every occupier and operator of a facility generating hazardous waste must obtain authorization from the relevant state pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment or third party resulting from the improper handling and management and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

The Manufacturing, Storage & Import of Hazardous Chemicals Rules, 1989 (the "MSIHC Rules")

The MSIHC Rules apply to an industrial activity in which a hazardous chemical, as stipulated in Schedule I of the MSIHC Rules, is involved, or the isolated storage of a hazardous chemical listed in Schedule II of the MSIHC Rules. The MSIHC Rules stipulate that an occupier in control of an industrial activity has to take adequate steps to prevent major accidents and to limit their consequences to persons and the environment. Further, the occupier is under an obligation to notify the concerned authority on the occurrence of a major accident on the site or pipeline within 48 hours.

Bio-Medical Waste Management Rules, 2016 (the "BMW Rules")

The BMW Rules have been made under the EP Act and is applicable to all persons who generate, collect, receive, store, transport, treat, dispose or handle bio-medical waste in any form. The BMW Rules mandate every occupier of an institution generating bio-medical waste to take all necessary steps to ensure that such waste is handled without any adverse effect to human health and environment and *inter alia* to make a provision within the premises for a safe, ventilated and secured location for storage of segregated bio-medical waste, pre-treat laboratory waste and provide training to workers involved in handling bio-medical waste. The BMW Rules further require every occupier or operator handling bio-medical waste to apply to the prescribed authority for grant of authorization and submit an annual report to the prescribed authority and also to maintain records related to the generation, collection, receipt, storage, transportation, treatment, disposal, or any form of handling of bio-medical waste in accordance with the BMW Rules and the guidelines issued thereunder. Section 15 of the EP Act provides that whoever fails to comply with or contravenes any of the provisions of this Act, or the rules made or orders or directions issued thereunder, would be punishable with fine or imprisonment or both.

The Public Liability Insurance Act, 1991 (the "PLI Act") and the Public Liability Insurance Rules, 1991 (the "PLI Rules")

The PLI Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the government by way of a notification. Under the PLI Act, the owner or handler is also required to take out an insurance policy insuring against liability. The PLI Act also provides for the establishment of the Environmental Relief Fund, which shall be utilized towards payment of relief granted under the Public Liability Act. The PLI Rules mandate the employer to contribute a sum equal to the premium paid on the insurance policies towards the Environmental Relief Fund.

The Batteries (Management and Handling) Rules, 2001 (the "Batteries Rules")

The Batteries Rules apply to every manufacturer, importer, re-conditioner, assembler, dealer, recycler, auctioneer, consumer, and bulk consumer involved in manufacture, processing, sale, purchase and use of batteries or components thereof. It provides for different kinds of responsibilities of manufacturer, importer, assembler, re-conditioner, dealer, recycler, consumer and bulk consumer. *Inter alia* such responsibilities include: setting up collection centres either individually or jointly at various places for collection of used batteries from consumers or dealers by the manufacturer, importer, assembler and re-conditioner; giving appropriate discount for every used battery returned by the consumer by the dealer; mark 'Recycled' on lead recovered by reprocessing by the recyclers and ensuring that used batteries are not disposed of in any manner other than by depositing with the dealer/manufacturer/registered recycler/importer/ re-conditioner or at the designated collection centres by the bulk consumers.

The Plastic Waste Management Rules, 2016 (the "Plastic Rules")

The Plastic Rules give thrust on plastic waste minimisation, source segregation, recycling, involving waste pickers, recyclers and waste processors in collection of plastic waste fraction either from households or any other source of its generation or intermediate material recovery facility and adopt polluter's pay principle for the sustainability of the waste management system. The manufacture, import, stocking, distribution, sale and use of carry bags, plastic sheets or like, or cover made of plastic sheet and multi-layered packaging, shall be, *inter alia,* subject to the following conditions like: carry bags and plastic packaging shall either be in natural shade which is without any added pigments or made using only those pigments and colourants which are in conformity with Indian Standard: IS 9833:1981, sachets using plastic material shall not be used for storing, packing or selling gutkha, tobacco and pan masala, etc.

The E-waste Management Rules, 2016 (the "E-waste Rules")

E-waste means electrical and electronic equipment, whole or in part discarded as waste by the consumer or bulk consumer as well as rejects from manufacturing, refurbishment and repair processes. The E-waste Rules provide for different responsibilities of the manufacturer, producer, consumer, bulk consumer, collection centres, dealers, e-retailer, refurbisher, dismantler and recycler involved in manufacture, sale, transfer, purchase, collection, storage and processing of e-waste or electrical and electronic equipment listed in Schedule I of the E-waste Rules. The State Government is also responsible for earmarking or allocation of industrial space or shed for e-waste dismantling and recycling in the existing and upcoming industrial park, estate and industrial clusters.

The Chemical Accidents (Emergency Planning, Preparedness, and Response) Rules, 1996 (the "Chemical Accident Rules")

The Chemical Accidents Rules formulated pursuant to the provisions of the EP Act, seek to manage the occurrence of chemical accidents, by *inter alia,* setting up a central crisis group and a crisis alert system. The functions of the central crisis group *inter alia* include, (i) conducting post-accident analysis of major chemical accidents; (ii) rendering infrastructural help in the event of a chemical accident; and (iii) review district off site emergency plans.

Labour Law legislations

The Factories Act, 1948, as amended (the "**Factories Act**"), defines a "factory" to cover any premises which employs 10 or more workers on any day of the preceding 12 months and in which a manufacturing process is carried on with the aid of power or any premises where at least 20 workers are employed, and where a manufacturing process is carried on without the aid of power. Each state government has enacted rules in respect

of the prior submission of plans and their approval for the establishment of factories and registration/licensing thereof. The Factories Act 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.

The Building and Other Construction Workers' Welfare Cess Act, 1996 ("**Construction Workers Act**") provides for the levy and collection of a cess from an employer on the cost of construction incurred by employers with a view to augmenting the resources of the Building and Other Construction Workers' Welfare Boards constituted under the Construction Workers Act.

The Contract Labour (Regulation and Abolition) Act, 1970 ("**CLRA**") regulates the employment of contract labour in certain establishments. The CLRA provides that the appropriate Government may, after consultation with the Central or State Advisory

Boards (constituted under the CLRA), prohibit employment of contract labour in any process, operation or other work in any establishment.

In addition to the Factories Act, the Construction Workers Act, and the CLRA the employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The various other labour and employment-related legislations (and rules issued thereunder) that may apply to our operations, from the perspective of protecting the workers' rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, would include the following:

- Apprentices Act, 1961.
- Employee's Compensation Act, 1923.
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
- Employees' State Insurance Act, 1948.
- The Equal Remuneration Act, 1976.
- Maternity Benefit Act, 1961.
- Minimum Wages Act, 1948.
- Payment of Bonus Act, 1965.
- Payment of Gratuity Act, 1972.
- Payment of Subsistence Allowance Act, 1988.
- Payment of Wages Act, 1936.
- The Child Labour (Prohibition and Regulation) Act, 1986.
- The Labour Welfare Fund Act, 1965.
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

In order to rationalize and reform labour laws in India, the Government of India has framed four labour codes, namely:

(a) The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020, and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, and the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979. This code proposes to provide for, *among other things*, standards for health, safety and working conditions for employees of establishments, and will come into effect on a date to be notified by the Central Government.

(b) The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020, and proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The Industrial Relations Code, 2020 will come into effect on a date to be notified by the Central Government.

(c) The Code on Wages, 2019 received the assent of the President of India on August 8, 2019. Through its notification dated December 18, 2020, the Government of India brought into force certain sections of the Code on Wages, 2019. The remaining provisions of this code will be brought into force on a date to be notified by the Government of India. It proposes to subsume four separate legislations, namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976.

(d) The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020. Through its notification dated April 30, 2021, the Government of India brought into force section 142 of the Code on Social Security, 2020. The remaining provisions of this code will be brought into force on a date to be notified by the Government of India. It proposes to subsume several separate legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, the Maternity Benefit Act, 1961, and the Payment of Gratuity Act, 1972.

Intellectual Property Laws

The Trade Marks Act, 1999 (the "Trademarks Act")

The Trademarks Act governs the statutory protection of trademarks and prohibits any registration of deceptively similar trademarks, among others. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading, and to obtain relief in case of infringement of such marks. Indian law permits the registration of trademarks for both goods and services. Under the provisions of the Trademarks Act, an application for trademark registration may be made before the Trademark Registry by any person claiming to be the proprietor of a trade mark, whether individual or joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. Once granted, a trademark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration are required to be restored. Further, pursuant to the notification of the Trade Marks (Amendment) Act, 2010 ("**Trademark Amendment Act**") simultaneous protection of trademarks in India and other countries has been made available to owners of Indian and foreign trademarks. The Trademark Amendment Act also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to conform Indian trademark law to international practice.

The Patents Act 1970 (the "Patents Act")

The Patents Act governs the patent regime in India. A patent under the Patents Act is an intellectual property right relating to inventions and grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling and importing the patented product or process or produce that product. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognize product patents as well as process patents. In addition to the broad requirement that an invention must 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 Copyright Act, 1957 and the Copyright Rules, 2013 (the "Copyright Rules")

The Copyright Laws governs copyright protection in India. Even while copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration under the Copyright Laws acts as a prima facie evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations. The Copyright Laws prescribe a fine, imprisonment or both for violations, with enhanced penalty on second or subsequent convictions

Foreign Investment and Trade Regulations

Foreign Investment Regulations

Foreign investment in India is governed by the provisions of Foreign Exchange Management Act, 1999, as amended, along with the rules, regulations and notifications made by the Reserve Bank of India thereunder, and the consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time (the "**Consolidated FDI Policy**"). Under the current Consolidated FDI Policy, foreign direct investment in companies engaged in the pharmaceutical sector is permitted up to 100% of the paid-up share capital in greenfield projects and up to 74% of the paid-up share capital in brownfield projects under the automatic route, subject to compliance with certain prescribed pricing guidelines and reporting requirements. Investment in brownfield projects beyond 74% is permissible through government approval route.

Foreign Trade (Development and Regulation) Act, 1992 (the "FTA")

The FTA seeks to provide for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India. The FTA provides that no person shall make any import or export except under an importer-exporter code number ("**IEC**") granted by the Director General of Foreign Trade, Ministry of Commerce ("**DGFT**"). The IEC granted to any person may be suspended or cancelled *inter alia* in case the person contravenes any of the provisions of FTA or any rules or orders made thereunder or the DGFT or any other officer authorized by him has reason to believe that any person has made an export or import in a manner prejudicial to the trade relations of India. Any person who makes any export or import in contravention of any provision of this Act or any rules or orders made thereunder or the foreign trade policy would become liable to a penalty under the FTA. Under section 5 of the FTA the Central Government has notified the Foreign Trade Policy 2023.

Customs Act, 1962 (the "Customs Act")

Under the Customs Act, the Central Government has the power to prohibit either absolutely or subject to such conditions, the import or export of goods of any specified description. Further, the Central Government may specify goods of such class or description, if it is satisfied that it is necessary to take special measures for the purpose of checking the illegal import, circulation or disposal of such goods.

Laws Relating to Taxation

Laws Relating to Taxation

The Goods and Services Tax ("**GST**") is levied on supply of goods or services or both jointly by the Central Government and State Governments. GST provides for imposition of tax on the supply of goods or services and will be levied by the Central Government and by the state government including union territories on intra-state supply of goods or services. Further, Central Government levies GST on the inter-state supply of goods or services. The GST is enforced through various acts viz. Central Goods and Services Act, 2017 ("**CGST**"), relevant state's Goods and Services Act, 2017 ("**SGST**"), Union Territory Goods and Services Act, 2017 ("**UTGST**"), Integrated Goods and Services Act, 2017 ("**IGST**"), Goods and Services (Compensation to States) Act, 2017 and various rules made thereunder.

Further, the Income-tax Act, 1961 (the "**Income Tax Act**") is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of the Income Tax Act or rules made there under depending upon its "Residential Status" and "Type of Income" involved. The Income Tax Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every company assessable to income tax under the Income Tax Act is required to comply with the provisions thereof, including those relating to tax deduction at source, advance tax, minimum alternative tax, etc. In 2019, the Government has also passed an amendment act pursuant to which concessional rates of tax are offered to a few domestic companies and new manufacturing companies.

The Research and Development Cess Act, 1986 (the "R&D Cess Act")

The R&D Cess Act provides for the levy and collection of a cess on all payments made for the import of technology. It enables the Central Government to levy and collect a cess at such rate not exceeding five per cent. on all payments made towards the import of technology. The cess shall be payable to the Central Government by an industrial concern which imports technology on or before making any payments towards such import and shall be paid by the industrial concern to any specified agency. The R&D Act provides penalty for non-payment of cess which can extend up to ten times the amount in arrears.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was incorporated as a public limited company under the Companies Act, 1956 as 'Akums Drugs and Pharmaceuticals Limited', pursuant to a certificate of incorporation dated April 19, 2004 issued by the RoC. Our Company received a certificate for commencement of business issued by the RoC dated May 13, 2004.

Changes in our Registered Office

There has been no change in the registered office of our Company since the date of its incorporation.

Main objects of our Company

The main objects contained in our Memorandum of Association are as follows:

(1) *To carry on the business as manufacturers, developers, producers, processors, makers, fabricators, processors, growers, refiners, buyers, sellers, importers, exporters, distributors, inventors, converters, traders, retailers, wholesalers, suppliers, chemists, druggists, indenters, packers, movers, preservers, stockists, agents, sub-agents, traders, merchants, distributors, jobbers, brokers, or otherwise deal either in whole or in any other way in all or any kind of pharmaceuticals formulations, products and drugs, all types and categories as allopathic, ayurvedic, herbal, homeopathic, yunani, arabic, etc., including medical and chemical preparations and compounds, including basic chemicals, active pharmaceutical ingredients, formulations, patent proprietary and generic medicines, formula and preparations of every kind, class and description, basic drugs, salts and powders, medical related chemicals, enzymes, preservatives, minerals, colours, essences, excipients, acids, alkalis and gases of all sorts and description, surgical instruments, dressings and products, medical products, toilet preparation, oils, soaps, perfumes, detergents, essences, dyes, colours, herbals, ingredients and extractions of plants and plant products and other extracts of all sorts and descriptions, whether of animal, vegetable, mineral or synthetic origin, all form of powder, paste, liquid, semi-liquid, gas or solid, and all other kinds of medical related chemicals and their by products, intermediates, derivatives, formulations, compounds, and to carry on the business of chemists, druggists, laboratories and research centers.*

(2) *To carry on the business as manufacturers, producers, processors, makers, fabricators, processors, growers, refiners, buyers, sellers, importers, exporters, distributors, inventors, converters, traders, retailers, wholesalers, suppliers, indenters, packers, movers, preservers, stockists, agents, sub-agents, traders, merchants, distributors, jobbers , brokers, or otherwise deal in nutritious healthcare, baby care, mother care products, tonics, proteins, dietetic products and glucose.*

(3) *To carry on the business in India or elsewhere to produce, manufacture, process, prepare, protect, promote, amalgamate, market, sponsor, convert, commercialize, cure, clean, can, bottle, pack, repack, disinfect, develop, formulate, extract, discover, derive, invent, export, import, buy, sell, finish, brand, manipulate, mix, modify, procure, refine, store, supply, transport or otherwise to act as agent, broker, sales promoter, distributor, stockist, franchiser, consultant, representative, turn key contractor, collaborator, liaison, middle men, exporter, job worker, patent owner, trademark owner, or otherwise to deal in all branches of cosmetics and toiletries, their derivatives, by product, residue, consumable and ingredients including hair, skin, nail and other beauty preparations, deodorant, aerosol, pump, spray product, baby product, all kind of perfumery and other components, talcum powder, powder compacts, kumkum, turmeric cream, kajals essences, scents, perfumes and toilets waters, air purifier, mouth washer, tooth pastes, tooth tonics, mouth freshener, nail polishes and other polishes, diluters, removers, lipsticks, bindis, glasses, lip colour, eye shadow, hair oils, face foundation, shaving cream, shaving gel, razors, skin cream, blades, twin blades, brushes combo, hair dye, hair filters, hair removers, detergents, soaps, after shave lotions, medicated soaps, liquid soaps, shampoos, conditioners, sprays, pigments, essential oils, creams ointments, pomades, toilet requisites and preparations, preparations of dental hygiene cleaning compounds, manicure and pedicure items, toilet and beauty care kits and other allied goods and to do all incidentals acts things necessary for the attainment of the above objects.*

(4) *To carry on in India or elsewhere the business to manufacture, produce, process, prepare, disinfect, fermentate, compound, mix, clean, wash, concentrate, crush, grind, segregate, pack, repack, add, remove, heat, grade, preserve, freeze, distillate, boil, sterilize, improve, dispose, develop, handle, manipulate, market, supply and to act as agent, broker, representative, consultant, collaborator, stockiest, liaison, middlemen, exporter, job worker or otherwise to deal in all types, descriptions, tastes, uses and packs of nutraceuticals and food preparations, their by products and derivatives including nutraceuticals products providing nutrition, pharmaceuticals, health or medicinal benefits or prevention and/or treatment of disease; or purified from foods, medicines and natural products, dietary supplements including vitamins, minerals, herbs, botanicals, amino acids, enzymes, organ tissues, glandular, metabolites, extracts and concentrates of any products etc., genetically engineered food and medicines that provide extra health benefits, nutritional value preventing chronic diseases, improve health, delay the ageing process, increase life expectancy etc., nutrients, herbal products, and processed foods such as cereals, soups, beverages, etc.*

(5) *To carry on in India or elsewhere the business to manufacture, produce, prepare, disinfect, fermentate, compound, mix, clean, wash, concentrate, crush, grind, segregate, pack, repack, add, remove, heat, grade, preserve, freeze, distillate, boil, sterilize, improve, extract, refine, buy, sell, resell, import, export barter, transport, store, forward, distribute, dispose, develop, handle, manipulate, market, supply and to act as agent, broker, interpretative, consultant, collaborator, stockiest, liaison, middlemen, exporter, job worker or otherwise to deal in all types, descriptions, tastes, uses and packs of consumer food items, whether processed or unprocessed, their by- products, ingredients, derivatives, residues, including foods and vegetables, packed foods, powders, pastes, liquids, drinks, beverages, juices, jams, jelly, squashes, pickles, sausages, concentrates, extracts, essences, flavours, syrups, sarbats, flavored drinks, health and diet drinks, extruded foods, frozen foods, dehydrated foods, precooked foods, cereal products, table delicacies, tonics, cordials, food supplements, fortified foods, energy drinks, probiotic foods, and all other items whether natural, artificial or synthetic or of a character similar or analogous to the foregoing or connected therewith and to do all incidental acts necessary for the attainment of the forgoing objects.*

(6) *To establish, develop, provide and render on commercial basis, projects, services or training in the nature of commercial test houses, research and development centre, formulation development department and centre, hospitals, medicals institutes, medical colleges, scientific research and development, laboratories, technology or consultancy related thereto, development and improvement in the bulk products, pharmaceuticals and medical substances, finished products and formulations of all kinds and related to all branches of medicines, to develop novel drugs delivery system modeling, process chemistry research, discover new molecules, computational chemistry and novel chemical entities, to improve productions process, to conduct all kind of clinical trials and to acquire, establish, run and maintain all kinds of infrastructure, including hospitals, medicals institutes, medical colleges, scientific research and development centre, test houses, laboratories, diagnostic centers, scan centers, nursing homes, clinics, dispensaries, maternity homes, child welfare and family planning centers, clinical research organization, clinical, pathological testing laboratories, X-Ray and ECG clinics, animal houses, training colleges and other institutions for training, educating and holding any lectures, conferences, meeting, exhibitions connected thereto in India and abroad, and to carry on any other operations and activities of every nature and kind in relation or incidental thereto, to act as consultant and advisers providing technical knowhow, technical services and allied services for the establishment, operation and improvement of nursing homes, hospitals, clinics, medical institute, medical centers, diagnostics centers and laboratories in India and abroad, to carry out medical research by engaging in the research and development in all fields of medical sciences, and in therapies for medical treatment, to provide research facilities for carrying of research, basis and applied, in all systems and discipline or medical and surgical knowledge, to develop pharmacological standardization of indigenous medical plant, to encourage and discover new medical and/or surgical management of disease and infections and to investigate and make known the nature or merits of investigations and findings and research in the said field and to acquire any processes and undertake the manufacture of any product developed, discovered or improved and/or to assign license for the manufacture of the same to other and either to market the same or to assign licenses to other(s) to market the same, to provide, encourage, initiate or promote facilities for the discovery, improvement or development of new method of diagnosis, understanding and treatment of diseases.*

The main objects, as contained in our Memorandum of Association, enable our Company to carry on the business presently being carried on and proposed to be carried on by our Company.

Amendments to our Memorandum of Association in the last 10 years

The following table set forth details of the amendments to our Memorandum of Association in the last 10 years preceding the date of this Draft Red Herring Prospectus:

Date of Shareholders' resolution/Effective date	Details of the amendments
September 29, 2019	Clause V of the Memorandum of Association was amended to reflect an increase in the authorised share capital of our Company from ₹12, 000, 000 divided into 1,200,000 equity shares of ₹10 each to ₹15,000,000 divided into 1,500,000 equity shares of face value of ₹10 each.
December 24, 2021	Clause V of the Memorandum of Association was amended to reflect a sub-division in the authorised share capital of our Company from ₹15,000,000 divided into 1,500,000 equity shares of face value of ₹10 each to ₹15,000,000 divided into 7,500,000 of face value of ₹2 each, ranking *pari passu* in all respects with the existing equity shares of the Company.
March 17, 2023	Clause V of the Memorandum of Association was amended to reflect an increase in the authorised share capital of our Company from ₹15,000,000 divided into 7,500,000 equity shares of face value of ₹2 each to ₹300,000,000 divided into 150,000,000 equity shares of face value of ₹2 each, ranking *pari passu* in all respects with the existing equity shares of the Company.
October 26, 2023	Clause V of the Memorandum of Association was amended to reflect an increase in the authorised share capital of our Company from ₹300,000,000 divided into 150,000,000 equity shares of face value of ₹2 each

Date of Shareholders' resolution/Effective date	Details of the amendments
	to ₹400,000,000 divided into 200,000,000 equity shares of face value ₹2 each, ranking *pari passu* in all respects with the existing equity shares of the Company.
February 7, 2024	Adoption of the Memorandum of Association in substitution of the existing memorandum of association, with suitable amendments to comply with provisions of the Companies Act, 2013, substituting Companies Act, 1956 with Companies Act, 2013, wherever necessary and to completely remove Clause III(c) 'the other objects clause' from the Memorandum of Association.

Major events and milestones of our Company

The table below sets forth the key events and milestones in the history of our Company:

Financial Year	Milestone
2004	Incorporation of the Company
	Established first plant for oral dosage commissioned at 19, 20, 21, sector 6A, Haridwar, Uttarakhand
2007	Established dedicated manufacturing site for oral liquid dosage at 22, Sector 6A, Sidcul, Haridwar, Uttarakhand and sterile products at 2,3,4,5, Sector 6B, SIDCUL, Haridwar, Uttarakhand
2009	Incorporated Maxcure Nutravedics Limited to venture into nutraceuticals
2010	Dedicated a facility for hormones at 48, Sector 6A, SIDCUL, Haridwar, Uttarakhand
	Dedicated a facility for cosmetics and dermatology at 47, Sector 6A, SIDCUL, Haridwar, Uttarakhand
	Incorporated Akumentis Healthcare Limited to venture into branded formulations
2011	Innovated bi-layered sustained release tablets for the first time
2012	Acquired Pure and Cure Healthcare Private Limited to expand capacity and capabilities
2013	Innovated tablet-in-tablet sustained release tablets for the first time
	Acquired Malik Lifesciences Private Limited manufacturing sites to expand capacity and capabilities
	Expanded into the African market
2015	Expanded into the Asian market
	Established research and development laboratory in Mumbai, Maharashtra to venture into regulated market
2016	Maxcure Nutravedics Limited received US-NSF certification
2019	Investment by Ruby QC Investment Holdings Pte. Ltd. in our Company to become a minority shareholder
2021	Acquired Parabolic Drugs to form Akums Lifesciences Limited and ventured into APIs
	Acquisition of a facility at Kotdwar, Uttarakhand by Akums Healthcare Limited
2022	Plant at 19, 20, 21, Sector 6A, SIDCUL, Haridwar, Uttarakhand and plant at 2, 3, 4,5, Sector 6B, SIDCUL, Haridwar, Uttarakhand accredited European Union-Good Manufacturing Practices, qualifying for exports to European markets
	Acquisition of a facility in Haridwar, Uttarakhand by Akums Healthcare Limited and a facility in Baddi, Himachal Pradesh by Pure and Cure Healthcare Private Limited
2023	Acquisition of another facility in Baddi, Himachal Pradesh by Pure and Cure Healthcare Private Limited
	Merger of Akums Lifesciences Limited with Pure and Cure Healthcare Private Limited

Key Awards and accreditations

Details of key awards received are set out below:

Financial Year	Name of the award
2018	Received India Pharma Leader Award by Government of India
2019	Received India Pharma Leader Award by Government of India
2021	Award for India Pharma Award for Excellence in Contract Research and Manufacturing by Informamarkets
2022	Award for Excellence in R&D and Innovation by ET Ascent.
	Awarded the International Healthcare award as Pharmaceutical Company of the Year in contract manufacturing by Times Cyber Media.
	Awarded the Excellence in Operations – Manufacturing by CPHI Awards.
	Awarded Asia's Pharma Excellence Awards in Innovation in Nutraceutical, Cosmetic and Wellness Award by CMO Asia.
	Our Promoters, Sanjeev Jain and Sandeep Jain were awarded Leading Entrepreneurs in the Pharmaceutical Industry by Times Ascent
2023	Awarded Dream Employer of the Year by Times Ascent
	Awarded the Excellence Award in Nutraceutical category by IHW Council.
	Award for the best brand based in North India by Exchange4Media.
	Awarded the best Technology Adaption – Cash Management Services by HDFC Bank
	Awarded 2nd Runner up in Best Trademarks portfolio by CII Industrial Intellectual Property Awards.
	Awarded the Excellence in Formulations by India Pharma World Awards, The Economic Times.
	Awarded the Most Admired Quality Pharmaceutical Manufacturer of India 2023 by Observe Now.
	Awarded the Certificate of Appreciation for Excellence in Innovative Formulations – Nutraceutical and Wellness Award by Food Safety and Nutrition Summit and Awards 2023

For details related to accreditations obtained by us, see "*Our Business - Our Manufacturing Units*" on page 183.

Time and cost overruns

There have been no time and cost over-runs in respect of our business operations, except those incurred in the ordinary course of business.

Defaults or re-scheduling/ restructuring of borrowings

There have been no defaults or rescheduling/restructuring of borrowings with financial institutions/ banks in respect of our Company's borrowings.

Significant financial and strategic partners

Our Company does not have any significant financial or strategic partners as on the date of this Draft Red Herring Prospectus.

Capacity/facility creation, location of plants

For details regarding locations of our plants, see "*Our Business*" on page 171.

Launch of key products or services, entry into new geographies or exit from existing markets

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, see "*Our Business*" and "*– Major Events and Milestones of our Company*" on pages 171 and 206, respectively.

Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years.

Our Company has not made any material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years preceding the date of this Draft Red Herring Prospectus, except as disclosed below:

(i) **Acquisition of infrastructural assets of Lakhani Shoes and Apparels Private Limited by Pure and Cure Healthcare Private Limited in 2020**

Pure and Cure Healthcare Private Limited, a wholly owned subsidiary of our Company, through an agreement of sale dated November 18, 2020, purchased land and building situated at Haridwar, from Lakhani Shoes and Apparels Private Limited for a consideration of ₹157.60 million.

(ii) **Acquisition of Akums Lifesciences Limited (erstwhile "Parabolics Drugs Limited") under a scheme of the IBC, 2016 through a resolution plan submitted by our Company in 2021**

Our Company acquired Akums Lifesciences Limited as per the resolution plan submitted by our Company, and accepted by the committee of creditors in 2021, in terms of section 30(4) under the IBC, 2016 as approved by the NCLT, Chandigarh bench, vide its order dated January 12, 2021 ("**Resolution Plan**"). The Resolution Plan stipulated the infusion of up to ₹ 1,122.56 million but not less than ₹ 812.56 million, in Akums Lifesciences Limited in order to repay the creditors. The consideration paid by our Company was ₹ 969.15 million. Erstwhile Parabolics Drugs Limited was engaged in the business of manufacturing of active pharmaceuticals ingredients, especially cephalosporins. Under the resolution plan, our Company acquired two manufacturing facilities situated at Dera Bassi, Punjab and Lalru, Punjab, along with an R&D center situated at Barwala, Haryana.

Subsequently, pursuant to a scheme of arrangement ("**Amalgamation Scheme**") under Sections 230 to 232 of the Companies Act, 2013 approved by the NCLT, New Delhi bench vide its order dated October 17, 2023, Akums Lifesciences Limited merged with our wholly owned subsidiary, Pure and Cure Healthcare Private Limited, a private limited company incorporated in 2005 under the provisions of the Companies Act, 1956. The effective date of the Amalgamation Scheme is November 11, 2023 ("**Effective Date**"). The Amalgamation Scheme was made effective from April 1, 2022 ("**Appointed Date**"), from which date the entire business and undertaking of Akums Lifesciences Limited stood transferred to and vested in Pure and Cure Healthcare Private Limited without any further deed or act, together with all their properties, assets, rights, benefits and interest therein, as the case may be, in the manner described in the Amalgamation Scheme, subject to the terms, conditions and other provisions contained in the Resolution Plan.

(iii) **Acquisition of infrastructural assets of Origin Formulations Private Limited by Akums Healthcare Limited in 2021**

The land, building, plant and machineries of Origin Formulations Private Limited situated at Kotdwar, Uttarakhand was acquired by Akums Healthcare Limited, pursuant to an e-auction held under the IBC, 2016, for a consideration of ₹130.60 million, through a certificate of sale dated August 16, 2021 under the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

(iv) **Acquisition of infrastructural assets of Ankur Drugs and Pharma Limited, through Edelweiss Asset Reconstruction Company Limited, by Pure and Cure Healthcare Private Limited in 2022**

The land, plant and machineries situated at Baddi, Himachal Pradesh ("**Baddi 1")** was acquired under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 from Ankur Drugs and Pharma Limited by Pure and Cure Healthcare Private Limited, through agreement dated March 29, 2022 for a consideration of ₹573.30 million.

(v) **Acquisition of infrastructural assets of Ankur Drugs and Pharma Limited, through Edelweiss Asset Reconstruction Company Limited, by Pure and Cure Healthcare Private Limited in 2023**

The land, plant and machineries situated at Baddi, Himachal Pradesh ("**Baddi 2**") was acquired under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 from Ankur Drugs and Pharma Limited by Pure and Cure Healthcare Private Limited, through agreement dated November 23, 2023. The amount of consideration paid was ₹360.10 million.

Our Holding Company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Our Subsidiaries

As on the date of this Draft Red Herring Prospectus, our Company has 14 Subsidiaries. The details of our Subsidiaries have been provided below. In addition to the below, Upadhrish Reserchem LLP is accounted for as a subsidiary in accordance with Ind AS 110 in the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus. Since this entity is a limited liability partnership firm, it is not a "subsidiary" as defined under the Companies Act, 2013.

1. Pure and Cure Healthcare Private Limited ("**PCHL**")

Corporate Information

PCHL was incorporated as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated September 13, 2005. Pursuant to a certificate of registration of regional director for change of state dated March 15, 2014, the registered office of PCHL was changed from plot number 299, sector 4, Vaishali, Ghaziabad, 201 010, Uttar Pradesh, India to 305, Third Floor, C Block, Mohan Place, Saraswati Vihar, New Delhi 110 034, India. The CIN of PCHPL is U24232DL2005PTC266385.

Nature of Business

The principal business of PCHL is to, among others, manufacture all kinds of pharmaceuticals and drugs.

Capital Structure

The authorised share capital of PCHL is ₹15,245,000,000 divided into 1,524,500,000 equity shares of face value of ₹10 each. The issued, subscribed and paid up share capital of PCHL is ₹27,000,000 divided into 2,700,000 equity shares of face value of ₹10 each.

Shareholding

The shareholding pattern of PCHL as on the date of this Draft Red Herring Prospectus is set out below:

Name of the shareholder	No. of equity shares of face value ₹10	% of total issued and subscribed capital
Akums Drugs and Pharmaceuticals Limited	2,699,994	99.99%
Kanishk Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Archana Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Sanjeev Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Lata Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Sandeep Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Arushi Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Total	**2,700,000**	**100.00%**

Total accumulated profit or loss

There are no accumulated profits or losses of PCHL that have not been accounted for by our Company.

2. Maxcure Nutravedics Limited ("**MNL**")

Corporate Information

MNL was incorporated as "Maxcure Drugs and Pharmaceuticals Limited", a public limited company, under the Companies Act, 1956, through a certificate of incorporation dated February 10, 1994. Pursuant to a certificate of incorporation dated February 8, 2012, the name of Maxcure Drugs and Pharmaceuticals Limited was changed to "Maxcure Nutravedics Limited". The registered office of MNL is Unit 101, Plot no. 4, 1st floor, Mohan Place, C Block, LSC, Saraswati Vihar, Delhi 110 034, India. The CIN of MNL is U74899DL1994PLC057323.

Nature of Business

The principal business of MNL is to, among others, manufacture nutraceutical products.

Capital Structure

The authorised share capital of MNL is ₹2,500,000 divided into 250,000 equity shares of face value ₹10 each. The issued, subscribed and paid up share capital of MNL is ₹500,000 divided into 50,000 equity shares of face value ₹10 each.

Shareholding

The shareholding pattern of MNL as on the date of this Draft Red Herring Prospectus is set out below:

Name of the shareholder	No. of equity shares of face value ₹10	% of total issued and subscribed capital
Akums Drugs and Pharmaceuticals Limited	49,994	99.98%
Kanishk Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Archana Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Sanjeev Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Lata Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Sandeep Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Arushi Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible

Name of the shareholder	No. of equity shares of face value ₹10	% of total issued and subscribed capital
Total	**50,000**	**100.00%**

Total accumulated profit or loss

There are no accumulated profits or losses of MNL that have not been accounted for by our Company.

3. Malik Lifesciences Private Limited ("**MLPL**")

Corporate Information

MLPL was originally incorporated as "Ambience Storage Solutions (India) Private Limited", as a private limited company, under the Companies Act, 1956, through a certificate of incorporation dated February 5, 2004. Pursuant to a certificate of incorporation dated August 17, 2006, the name of Ambience Storage Solutions (India) Private Limited was changed to "Malik Fragrances Private Limited". Its name was further changed to "Malik Lifesciences Private Limited" pursuant to a certificate of incorporation dated November 8, 2013. The registered office of MLPL was changed from Plot No. 16, Vardhman Industrial Estate, village Bahadarpur Saini, Roorkee, Haridwar 247 667, Uttarakhand, India 301, 3rd floor, Laxmi Tower, Local Shopping Complex, C-Block, Saraswati Vihar Delhi North West, Delhi 110 034, India, pursuant to a certificate of registration dated May 10, 2016. The CIN of MLPL is U63021DL2004PTC299408.

Nature of Business

The principal business of MLPL is to, among others, manufacture all kinds of pharmaceuticals and drugs. *Capital Structure*

The authorised share capital of MLPL is ₹5,000,000 divided into 500,000 equity shares of face value of ₹10 each. The issued, subscribed and paid up share capital of MLPL is ₹4,670,000 divided into 467,000 shares of face value of ₹10 each.

Shareholding

The shareholding pattern of MLPL as on the date of this Draft Red Herring Prospectus is set out below:

Name of the shareholder	No. of equity shares of face value ₹10	% of total issued and subscribed capital
Akums Drugs and Pharmaceuticals Limited	466,994	99.99%
Kanishk Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Archana Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Sanjeev Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Lata Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Sandeep Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Arushi Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Total	**467,000**	**100.00%**

Total accumulated profit or loss

There are no accumulated profits or losses of MLPL that have not been accounted for by our Company.

4. Akumentis Healthcare Limited ("**AHL"**)

Corporate Information

AHL was incorporated under the Companies Act, 1956, as a public limited company, pursuant to a certificate of incorporation dated July 29, 2010. The registered office of AHL is at 209, 2nd Floor, Mohan Place, LSC, C Block, Saraswati Vihar, North West Delhi, Delhi 110 034, India. The CIN of AHL is U72900DL2010PLC206414.

Nature of Business

The principal business of AHL is to, among others, market and distribute pharmaceutical formulations, healthcare and hospital products.

Capital Structure

The authorised capital of AHL is ₹1,291,800 divided into 70,000 equity shares of face value of ₹10 each and 5,918 preference shares of face value of ₹100 each. The issued, subscribed and paid up share capital of AHL is ₹1,154,220 divided into 56,242 equity shares of face value of ₹10 each and 5,918 preference shares of face value of ₹100 each.

Shareholding

The shareholding pattern of AHL as on the date of this Draft Red Herring Prospectus is set out below:

Name of Shareholder(s)	No. of equity shares of face value ₹10/-	Series A CCCP Shares of face value ₹100/	% of total issued and subscribed capital
Akums Drugs and Pharmaceuticals Limited	50,951	5,918	91.49%
Sanjeev Jain	2,642	-	4.25%
Sandeep Jain	2,641	-	4.25%
Sanjeev Jain jointly with Lata Jain	1	-	Negligible
Lata Jain jointly with Sanjeev Jain	1	-	Negligible
Sandeep Jain jointly with Archana Jain	1	-	Negligible
Archana Jain jointly with Sandeep Jain	1	-	Negligible
Sanjeev Jain jointly with Arushi Jain	1	-	Negligible
Lata Jain jointly with Umang Jain	1	-	Negligible
Sandeep Jain jointly with Kanishk Jain	1	-	Negligible
Sandeep Jain jointly with Manan Jain	1	-	Negligible
Total	**56,242**	**5,918**	**100.00%**

Total accumulated profit or loss

There are no accumulated profits or losses of AHL that have not been accounted for by our Company.

5. Unosource Pharma Limited ("**UPL**")

Corporate Information

UPL was incorporated under the Companies Act, 1956, as a public limited company, pursuant to a certificate of incorporation dated December 18, 2013. The registered office of UPL is at 305, Third Floor, C-block, Plot no. 5 Mohan Place, Saraswati Vihar, Delhi North West, Delhi 110 034, India. The CIN of UPL is U24233DL2013PLC262364.

Nature of Business

The principal business of UPL is to, among others, export pharmaceutical products. *Capital Structure*

The authorised capital structure of UPL is ₹200,000,000 divided into 20,000,000 equity shares of face value of ₹10 each. The issued, subscribed and paid up share capital of UPL is ₹180,200,000 divided into 18,020,000 equity shares of face value of ₹10 each.

Shareholding

The shareholding pattern of UPL as on the date of this Draft Red Herring Prospectus is set out below:

Name of shareholder	No. of equity shares of face value ₹10	% of total issued and subscribed capital
Akums Drugs and Pharmaceuticals Limited	18,019,994	99.99%
Kanishk Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Archana Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Sanjeev Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Lata Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Sandeep Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Arushi Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Total	**18,020,000**	**100.00%**

Total accumulated profit or loss

There are no accumulated profits or losses of UPL that have not been accounted for by our Company.

6. Sarvagunaushdhi Private Limited ("**SPL**")

Corporate Information

SPL was incorporated under the Companies Act, 2013, as a private limited company, pursuant to a certificate of incorporation dated October 6, 2017. The registered office of SPL is at 101, First Floor, Mohan Place, LSC, BLK-C, Saraswati Vihar, Pitampura, Delhi 110 034, India. The CIN of SPL is U51909DL2017PTC324616.

Nature of Business

The principal business of SPL is to, among others, market and trade in all kinds of pharmaceutical products. *Capital Structure*

The authorised capital of SPL is ₹200,000 divided into 10,000 equity shares of face value of ₹10 each and 10,000 preference shares of face value ₹10. The issued, subscribed and paid up share capital of SPL is ₹189,560 divided into 10,000 equity shares and 8,956 preference shares of face value ₹10 each.

Shareholding

The shareholding pattern of SPL as on the date of this Draft Red Herring Prospectus is set out below:

Name of shareholder	No. of equity shares of face value ₹10	No. of OCRPS of face value ₹10	% of total issued and subscribed capital
Akums Drugs and Pharmaceuticals Limited	9,998	-	52.74%
Sanjeev Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	-	Negligible
Sandeep Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	-	Negligible
Pure and Cure Healthcare Private Limited	-	8,956	47.25%
Total	**10,000**	**8,956**	**100.00%**

Total accumulated profit or loss

There are no accumulated profits or losses of SPL that have not been accounted for by our Company.

7. Amazing Research Laboratories Limited ("**ARLL**")

Corporate Information

ARLL was incorporated under the Companies Act, 1956, as a public limited company, pursuant to a certificate of incorporation dated July 31, 1998. The registered office of ARLL is 109, Mohan Place, LSC, Block C, Saraswati Vihar, North West Delhi, Delhi, 110 034, India. The CIN of ARLL is U99999DL1998PLC095297.

Nature of Business

The principal business of ARLL is to, among others, market and distribute all kinds of pharmaceutical products. *Capital Structure*

The authorised share capital of ARLL is ₹500,000 divided into 50,000 equity shares of face value of ₹10 each. The issued, subscribed and paid up share capital of ARLL is ₹500,000 divided into 50,000 equity shares of face value of ₹10.

Shareholding

The shareholding pattern of ARLL as on the date of this Draft Red Herring Prospectus is set out below:

Name of shareholder	No. of equity shares of face value ₹10	% of total issued and subscribed capital
Akums Drugs and Pharmaceuticals Limited	49,994	99.98%
Kanishk Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Archana Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Sanjeev Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Lata Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Sandeep Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Arushi Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Total	**50,000**	**100.00%**

Total accumulated profit or loss

There are no accumulated profits or losses of ARL that have not been accounted for by our Company.

8. May and Baker Pharmaceuticals Limited ("**MBPL**")

Corporate Information

MBPL was incorporated under the Companies Act, 1956, as a public limited company, pursuant to a certificate of incorporation dated January 23, 2006. The registered office of MBPL is 301, 3rd floor, Laxmi Tower, LSC, C Block, Saraswati Vihar, Delhi 110 034, India. The CIN of MBPL is U15400DL2006PLC145272.

Nature of Business

The principal business of MBPL is to, among others, market and distribute all kinds of pharmaceutical products. *Capital Structure*

The authorised capital structure of MBPL is ₹500,000 divided into 50,000 equity shares of face value of ₹10 each. The issued, subscribed and paid up share capital of MBPL is ₹500,000 divided into 50,000 equity shares of face value of ₹10 each.

Shareholding

The shareholding pattern of MBPL as on the date of this Draft Red Herring Prospectus is set out below:

Name of shareholder	No. of equity shares of face value ₹10	% of total issued and subscribed capital
Akums Drugs and Pharmaceuticals Limited	49,994	99.98%
Kanishk Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Archana Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Sanjeev Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Lata Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Sandeep Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Arushi Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Total	**50,000**	**100.00%**

Total accumulated profit or loss

There are no accumulated profits or losses of MBPL that have not been accounted for by our Company.

9. Plenteous Pharmaceuticals Limited ("**PPL")**

Corporate Information

PPL was incorporated under the Companies Act, 1956, as a public limited company, pursuant to a certificate of incorporation dated December 11, 2008. The registered office of PPL is 210, 2nd floor, Mohan Place, LSC, C Block, Saraswati Vihar, Delhi 110 034, India. The CIN of PPL is U24232DL2008PLC185686.

Nature of Business

The principal business of PPL is to, among others, market and distribute all kinds of pharmaceutical products. *Capital Structure*

The authorised share capital of the PPL is ₹500,000 divided into 50,000 equity shares of face value of ₹10 each. The issued, subscribed and paid up share capital of PPL is ₹500,000 divided into 50,000 equity shares of face value of ₹10 each.

Shareholding

The shareholding pattern of PPL as on the date of this Draft Red Herring Prospectus is set out below:

Name of shareholder	No. of equity shares of face value ₹10	% of total issued and subscribed capital
Akums Drugs and Pharmaceuticals Limited	49,994	99.98%
Kanishk Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Archana Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Sanjeev Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Lata Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Sandeep Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Arushi Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Total	**50,000**	**100.00%**

Total accumulated profit or loss

There are no accumulated profits or losses of PPL that have not been accounted for by our Company.

10. Nicholas Healthcare Limited ("**NHL")**

Corporate Information

NHL was incorporated under the Companies Act, 1956, as a public limited company, pursuant to certificate of incorporation dated January 20, 2009. The registered office of NHL is at 401, LSC, C Block, Mohan Place, Saraswati Vihar, Delhi 110 034, India The CIN of NHL is U24232DL2009PLC186841.

Nature of Business

The principal business of NHL is to, among others, market and distribute all kinds of pharmaceutical products. *Capital Structure*

The authorised share capital of NHL is ₹1,100,000 divided into 50,000 equity shares of face value of ₹10 each and 60,000 preference shares of face value of ₹10 each. The issued, subscribed and paid up share capital of NHL is ₹1,083,370 divided into 50,000 equity shares of ₹10 each and 58,337 preference shares of ₹10 each.

Shareholding

The shareholding pattern of NHL as on the date of this Draft Red Herring Prospectus is set out below:

Name of shareholder	No. of equity shares of face value ₹10	No. of preference shares of face value ₹	% of total issued and subscribed capital
Akums Drugs and Pharmaceuticals Limited	49,994	-	46.14%
Kanishk Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	-	Negligible
Archana Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	-	Negligible
Sanjeev Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	-	Negligible
Lata Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	-	Negligible
Sandeep Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	-	Negligible
Arushi Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	-	Negligible
Pure and Cure Healthcare Private Limited	-	58,337	53.84%
Total	**50,000**	**58,337**	**100.00%**

Total accumulated profit or loss

There are no accumulated profits or losses of NHL that have not been accounted for by our Company.

11. Akums Healthcare Limited (“**AHCL”**)

Corporate Information

AHCL was incorporated as “Akums Healthcare Limited” under the Companies Act, 2013, a public limited company, pursuant to a certificate of incorporation dated December 29, 2020. The registered office of AHCL is at Unit No. 101, Plot No. 4, 1st Floor, Mohan Place, LSC, BLK-C, Saraswati Vihar, Delhi 110 034, India. The CIN of AHCL is U24304DL2020PLC375098.

Nature of Business

The principal business of AHCL is to, among others, manufacture pharmaceuticals and healthcare products. Capital Structure

The authorised share capital of AHCL is ₹7,500,000 divided into 100,000 equity shares of face value of ₹10 each and 650,000 preference shares of face value of ₹10 each. The issued, subscribed and paid up share capital of AHCL is ₹7,225,680 divided into 100,00 equity shares and 622,568 preference shares of face value of ₹10 each.

Shareholding

The shareholding pattern of AHCL as on the date of this Draft Red Herring Prospectus is set out below:

Name of shareholder	No. of equity shares of face value ₹10	No. of OCRPS of face value ₹10	% of total issued and subscribed capital
Akums Drugs and Pharmaceuticals Limited	99,994	-	13.83%
Kanishk Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	-	Negligible
Archana Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	-	Negligible
Sanjeev Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	-	Negligible
Lata Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	-	Negligible
Sandeep Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	-	Negligible
Arushi Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	-	Negligible
Pure and Cure Healthcare Private Limited	-	622,568	86.16%

Name of shareholder	No. of equity shares of face value ₹10	No. of OCRPS of face value ₹10	% of total issued and subscribed capital
Total	**100,000**	**622,568**	**100.00%**

Total accumulated profit or loss

There are no accumulated profits or losses of AHCL that have not been accounted for by our Company.

12. Burroughs Welcome Pharmacia Private Limited ("**BWPPL"**)

Corporate Information

BWPPL was incorporated as "Burroughs Welcome Pharmacia Private Limited" under the Companies Act, 2013, as a private company, pursuant to a certificate of incorporation dated January 22, 2021. The registered office of BWPPL is at Unit No. 201, 2nd Floor, LSC, Mohan Place Block C, Saraswasti Vihar, Delhi 110 034, India. The CIN of BWPPL is U24290DL2021PTC376044.

Nature of Business

The principal business of BWPPL is to, among others, market and distribute all kinds of pharmaceutical products.

Capital Structure

The authorised share capital of BWPPL is ₹1,000,000 divided into 100,000 equity shares of face value of ₹10 each. The issued, subscribed and paid up share capital of BWPPL is ₹10,000 divided into 1,000 equity shares of face value of ₹10 each.

Shareholding

The shareholding pattern of BWPPL as on the date of this Draft Red Herring Prospectus is set out below:

Name of shareholder	No. of equity shares of face value ₹10	% of total issued and subscribed capital
Akums Drugs and Pharmaceuticals Limited	998	99.98%
Sanjeev Jain	1	Negligible
Sandeep Jain	1	Negligible
Total	**1,000**	**100.00%**

Total accumulated profit or loss

There are no accumulated profits or losses of BWPPL that have not been accounted for by our Company.

13. Medibox Pharma Private Limited ("**MPPL"**)

Corporate Information

MPPL was incorporated as "Medibox Digital Solutions Private Limited" under the Companies Act, 2013, a private limited company, pursuant to certificate of incorporation dated August 19, 2016. The name of Medibox Digital Solutions Private Limited was changed to "Medibox Pharma Private Limited" pursuant to a certificate of incorporation dated March 16, 2023. The registered office of MPPL was changed from 65, Surasa Enclave, 1st Floor, Puttanna Road, Gandhi Bazaar, Basavanagudi, Bangalore 560 004, Karnataka, India to 210, 2nd Floor, Mohan Place, LSC Block- C, Saraswati Vihar , Delhi North West Delhi 110 034, India pursuant to certificate of registration dated June 2, 2022. The CIN of MPPL is U72900DL2016PTC399490.

Nature of Business

The principal business of MPPL is to, among others, market and distribute all kinds of pharmaceutical products.

Capital Structure

The authorised share capital of MPPL is ₹5,000,000 divided into 500,000 equity shares of face value of ₹10 each. The issued, subscribed and paid up share capital of MPPL is ₹3,853,030 divided into 385,303 equity shares of face value of ₹10 each.

Shareholding

The shareholding pattern of MPPL as on the date of this Draft Red Herring Prospectus is set out below:

Name of Shareholder	No. of equity shares of face value ₹10	Shareholding (%)
Maxcure Nutravedics Limited.	231,182	60%
Akums Drugs and Pharmaceuticals Limited	154,121	40%
Total	**385,303**	**100.00%**

Total accumulated profit or loss

There are no accumulated profits or losses of MPPL that have not been accounted for by our Company.

14. Qualymed Pharma Private Limited ("**QPPL**")

Corporate Information

QPPL was incorporated under the Companies Act, 2013, as a private limited company, pursuant to a certificate of incorporation dated May 2, 2023. The registered office of QPPL is at 301, 3rd Floor, Laxmi Tower Saraswati Vihar, LSC, Delhi 110 034, India. The CIN of QPPL is U46497DL2023PTC413542.

Nature of Business

QPPL, under its memorandum of association, is authorised to engage in the business of manufacturing, producing, selling, packaging, buying, exporting, and importing all types and categories of allopathic, ayurvedic, herbal, homeopathic, pharmaceutical drugs, and consumer food items. As on date of this Draft Red Herring Prospectus, QPPL has not commenced business operations.

Capital Structure

The authorised share capital of QPPL is ₹100,000 divided into 10,000 equity shares of face value of ₹10 each. The issued, subscribed and paid up share capital of QPPL is ₹100,000 divided into 10,000 equity shares of face value of ₹10 each.

Shareholding

The shareholding pattern of QPPL as on the date of this Draft Red Herring Prospectus is set out below:

Name of the shareholder	No. of equity shares of face value ₹10	% of total issued and subscribed capital
Akums Drugs and Pharmaceuticals Limited	9,998	99.98%
Sanjeev Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Sandeep Jain jointly with Akums Drugs and Pharmaceuticals Limited	1	Negligible
Total	**10,000**	**100.00%**

Total accumulated profit or losses

There are no accumulated profits or losses of QPPL that have not been accounted for by our Company.

Shareholders' agreements and other agreements

Share Subscription and Purchase Agreement dated October 3, 2019 entered into by and among our Company, Sandeep Jain, Sanjeev Jain and Ruby QC Investment Holdings Pte. Ltd. ("SSPA")

Our Company entered into the SSPA with Ruby QC Investment Holdings Pte. Ltd. ("**Investor**") and our Promoters, i.e., Sandeep Jain and Sanjeev Jain, pursuant to which the Investor subscribed to 125,585 equity shares of face value of ₹ 10 each of our Company (each such equity share, a "**Subscription Share**") at a price of ₹ 25,480.85 per Subscription Share, for an aggregate subscription amount of ₹ 3.20 billion and purchased 70,642 equity shares of face value of ₹ 10 each of our Company (each such equity share, "**Sale Share**") from Sandeep Jain and Sanjeev Jain in equal ratios, at a price of ₹ 25,480.85 per Sale Share, for an aggregate purchase amount of ₹ 1.80 billion. Pursuant to the fulfilment of the conditions precedent as set out in the SSPA, the Subscription Shares and the Sale Shares were allotted and transferred, as applicable, to the Investor on November 13, 2019.

Key terms of subsisting shareholders' agreements

Shareholders' agreement dated October 3, 2019 read with the Waiver Cum Amendment dated February 9, 2024 ("SHA"), entered into by and amongst our Company, Sandeep Jain, Sanjeev Jain (together, the "Promoters") and Ruby QC Investment Holdings Pte. Ltd. (the "Investor", and together with the Company and the Promoters, the "SHA Parties")

The SHA defines the mutual rights and obligations of the SHA Parties and sets out the inter-se rights and obligations of the SHA Parties in respect of the management and control of the affairs of the Company. In terms of the SHA, until such time as the Investor holds at least 5% of the share capital of our Company on a fully diluted basis, the Investor shall have a right to nominate such number of directors on the Board of the Company and any committee constituted by the Board of the Company as is *pro rata* to its shareholding in the Company as well as right of the Investor to nominate an alternate director , and have affirmative voting rights on certain matters, including, among others, any amendments to the memorandum or articles of association of our Company or any of our Subsidiaries, appointment of any key managerial personnel of our Company or any of our Subsidiaries, formulation, adoption, and implementation of an employee stock option or any other stock purchase scheme. The SHA provides for indemnification of the nominee director of the Investor by our Company, in accordance with and subject to conditions prescribed under the SHA and applicable law. The SHA also imposes certain obligations on our Company and the promoters (as defined under the SHA) and provides certain other rights to the Investor, which include, among others:

- Information rights to the Investor in relation to, among others, (a) material developments in or affecting the business; (b) business affairs; (c) audited financial statements within 180 days after the end of the Financial Year; (d) unaudited quarterly management accounts within 45 days at the end of each quarter of the Financial Year; and (e) regular updates pertaining to the business of our Company, notice of any litigation and any other matter related to the business which has a material adverse effect on our Company;

- Our Company is required to conduct its business consistent with past customs and practices in compliance with applicable law;

- The SHA grants a right of first refusal to the Investor in the event the promoters (as defined under the SHA) intend to transfer shares, in accordance with the terms and conditions laid out in the SHA. The Investor also has a tag-along right to sell some or all of the Equity Securities held by the Investor in the event of such transfer, at the same price per Equity Share as the promoters; and

- Our Company is required to at any time, directly or indirectly, not compete, invest or set up any entity which competes with the principal business of our Company, subject to certain exceptions.

Further, in the event the Company is unable to facilitate an exit for the Investor in terms of the SHA and within the time period specified under the SHA, the Company is required to buy back the Equity Shares held by the Investor, or any portion thereof, in accordance with applicable law, at a price per Equity Share which is equal to the fair market value (as defined in the SHA) of the Equity Shares.

In accordance with the terms of the SHA, the SHA shall stand terminated and all rights available to the SHA Parties shall automatically fall away upon receipt of listing and trading approvals from BSE and NSE (collectively, the "**Stock Exchanges**") for listing of the Equity Shares on the Stock Exchanges pursuant to the Offer, except for certain clauses related to, among others, confidentiality, dispute resolution, governing law, and representations and warranties, that will continue to survive the termination of the SHA.

In order to facilitate the Offer, the SHA Parties entered into a waiver cum amendment agreement dated February 9, 2024 ("**WCA Agreement**") to (i) amend certain provisions of the SHA; (ii) waive and/or suspend certain rights and obligations of the SHA Parties such as information rights of the Investor, right of the Investor to appoint its observer to the Board, right of first offer, tag along rights and pre-emptive rights, only to the extent they relate to or are incidental to facilitation of the Offer; and (iii) provide their respective consent to certain actions under the SHA. Upon the occurrence of the IPO long stop date, i.e., the earlier of: (i) December 31, 2024, in the event the Equity Shares are not listed on the Stock Exchanges on or prior to such date; and/or (ii) the date on which the IPO Committee decides not to undertake the Offer; and/or (iii) February 15, 2024, in the event the Company has not filed a draft red herring prospectus in relation to the Offer with SEBI and the Stock Exchanges on or prior to such date; the WCA Agreement shall stand terminated and the consents and waivers shall cease to be effective without any further act of the SHA Parties and without any liabilities or obligations whatsoever on the IPO long stop date. Pursuant to the WCA Agreement, the SHA Parties have agreed that upon consummation of the Offer, subject to applicable law and the approval of the Shareholders by way of a special resolution passed in the first general meeting convened after the consummation of the Offer, the Investor will have a right to nominate and recommend one (1) non-executive nominee Director to the Board of the Company for so long as the Investor holds at least 5% of the share capital of the Company, on a fully diluted basis and such right will be included in the Articles of the Association of the Company post listing, subject to applicable law and the approval of the Shareholders by way of a special resolution passed in the first general meeting convened after listing of the Equity Shares pursuant to the Offer. Such right survives the termination of the SHA and the WCA Agreement.

All provisions of Part B of the Articles of Association of the Company containing the special rights available to the Shareholders of the Company as per the SHA read with the WCA Agreement shall automatically terminate and cease to have any force and effect from the date of filing of the RHP with the RoC or an earlier date as may be prescribed by the SEBI and the provisions of Part A of the Articles of Association shall continue to be in effect and be in force, without any further corporate or other action, by the Company or by its Shareholders.

Other material agreements

Trademark Assignment deed dated November 30, 2016 executed between our Company and our Promoters, Sanjeev Jain and Sandeep Jain ("Trademark Assignment Deed")

In terms of the Trademark Assignment Deed, executed between our Company and our Promoters, Sanjeev Jain and Sandeep Jain, our Company transferred 1,113 trademarks to our Promoters, Sanjeev Jain and Sandeep Jain, for a total consideration of ₹ 0.01 million.

Details of guarantees given to third parties by our Promoters who are participating in the Offer for Sale

As on the date of this Draft Red Herring Prospectus, our Promoters have not given any guarantee to any third party.

Agreements with Key Managerial Personnel, Senior Management Personnel, Director, Promoters, or any other employee

As on the date of this Draft Red Herring Prospectus, there are no agreements, except employment agreement, of our Company with Key Managerial Personnel, Senior Management Personnel, Director, Promoter, or any other employee.

Common pursuits between our Subsidiaries and our Company

Our Company is engaged in the business of manufacturing, marketing, trading, importing, exporting, developing, testing and allied activities of pharmaceutical formulations of drugs, ayurvedics, herbals, toiletries, nutraceuticals, food and dietary supplements, derma and cosmetics, healthcare and hospital products, OTC products, active pharmaceutical ingredients, excipients and compounds. As on the date of this Draft Red Herring Prospectus, our Subsidiaries have common pursuits with our Company and each other and are authorized to engage in similar business to that of our Company. Our Company will adopt the necessary procedure and practices as permitted by law to address any conflict situation, if and when they arise. For details, see "*Our Business*" on page 171.

Business interests in our Company

Except in the ordinary course of business and other than the transactions disclosed in "*Restated Consolidated Financial Information – Note* 45*: Related party disclosures*" on page 293, our Subsidiaries have no business interests in our Company.

OUR MANAGEMENT

In terms of the Articles of Association, our Company can have a maximum of 15 directors. As on the date of this Draft Red Herring Prospectus, our Board has eight directors comprising three Executive Directors and five Non-Executive Directors (including four Independent Directors, which includes one woman Director).

Details regarding our Board as on the date of this Draft Red Herring Prospectus are set forth below:

S. No.	Name, designation, period of directorship, term, address, occupation, date of birth and DIN	Age (in years)	Other directorships
1.	**Sanjeev Jain** **Designation:** Managing Director **Period of Directorship:** Director since April 19, 2004 **Term:** With effect from June 30, 2023 for a period of 5 years, Liable to retire by rotation **Address:** E-1052 Saraswati Vihar, New Delhi, 110 034, Delhi, India **Occupation:** Service **Date of Birth:** April 11, 1966 **DIN:** 00323433	57	• Akums Foundation • Welcure Pharmaceuticals Private Limited.
2.	**Sandeep Jain** **Designation:** Managing Director **Period of Directorship:** Director since April 19, 2004 **Term:** With effect from June 30, 2023 for a period of 5 years, Liable to retire by rotation **Address:** E-1052 Saraswati Vihar, New Delhi, 110 034, Delhi, India **Occupation:** Service **Date of Birth:** August 5, 1967 **DIN:** 00323476	56	• Akums Foundation • Welcure Pharmaceuticals Private Limited.
3.	**Sanjay Sinha** **Designation:** Whole Time Director **Period of Directorship:** Director since January 17, 2024 **Term:** With effect from January 17, 2024 for a period of 5 years, Liable to retire by rotation **Address:** House No. DH-118, Scheme No. 74-C, Vijay Nagar, Indore, Madhya Pradesh 452 010, India **Occupation:** Service **Date of Birth:** November 01, 1958 **DIN:** 03627342	65	Nil
4.	**Sunil Kumar Thakur*** **Designation:** Non-Executive Director **Period of Directorship:** Director since January 17, 2024 **Term:** With effect from January 17, 2024, Liable to retire by rotation	46	• Health Care at Home India Private Limited • Healthquad Advisors Private Limited • Healthquad Capital Advisors Private Limited

S. No.	Name, designation, period of directorship, term, address, occupation, date of birth and DIN	Age (in years)	Other directorships
	Address: S-177, Second Floor, Panchsheel Park, Malviya Nagar, South Delhi 110 017, Delhi, India **Occupation:** Service **Date of Birth:** February 03, 1978 **DIN:** 03266370		• IBOF Investment Management Private Limited • Maxivision Eye Hospitals Private Limited • Nathealth Foundation • Nobel Hygiene Private Limited • Phasorz Technologies Private Limited • Quadria Capital Advisors Private Limited
5.	**Kewal Kundanlal Handa** **Designation:** Independent Director **Period of Directorship:** Director since March 16, 2022 **Term:** With effect from March 16, 2022 for a period of 5 years **Address:** Nair House, 9th Floor, 14 B Road, Khar West, Mumbai, 400 052, Maharashtra, India **Occupation:** Business **Date of Birth:** August 22, 1952 **DIN:** 00056826	71	• Borosil Limited • Borosil Scientific Limited • Conexus Social Responsibility Services Private Limited • Ganga Care Hospital Limited • Heubach Colorants India Limited • Infiiloom India Private Limited • Mukta Arts Limited • Omsav Pharma Research Private Limited • Quality Care India Limited • Ramakrishna Care Medical Sciences Private Limited • Salus Lifecare Private Limited • United Ciigma Institute of Medical Sciences Private Limited • Wellness Forever Medicare Limited
6.	**Matangi Gowrishankar** **Designation:** Independent Director **Period of Directorship:** Director since March 16, 2022 **Term:** With effect from March 16, 2022 for a period of 5 years **Address:** E-1001/1002 Maestros, Salunke Vihar Road, Wanwadi, Pune, 411 040, Maharashtra, India **Occupation:** Consultancy **Date of Birth:** February 27, 1958 **DIN:** 01518137	65	• Anudip Foundation for Social Welfare • Cyient Limited • Gabriel India Limited • Greenlam Industries Limited • Gujarat Pipavav Port Limited • IDFC First Bank Limited • Intellecap Advisory Services Private Limited • Premium Motion Private Limited • Premium Transmission Private Limited

S. No.	Name, designation, period of directorship, term, address, occupation, date of birth and DIN	Age (in years)	Other directorships
			• Suven Pharmaceuticals Limited ***Foreign Companies*** • Cyient Inc • JSC MFO Crystal
7.	**Nand Lal Kalra** **Designation:** Independent Director **Period of Directorship:** Director since June 01, 2012 **Term:** With effect from February 13, 2020 for a period of 5 years **Address:** H. no. 4-BA-11, Jawahar Nagar, Jaipur, 302 004, Rajasthan, India **Occupation:** Retired **Date of Birth:** February 05, 1950 **DIN:** 05268554	74	• PCHL
8.	**Satwinder Singh** **Designation:** Independent Director **Period of Directorship:** Director since January 17, 2024 **Term:** With effect from January 17, 2024 for a period of 5 years **Address:** Tower 10, Ground Floor, ATS One Hamlet Sector 104 Noida, Gautam Buddha Nagar, 201 301, Uttar Pradesh, India **Occupation:** Corporate Lawyer **Date of Birth:** July 06, 1964 **DIN:** 00164903	59	• DS (Assam) Hospitality Limited • Seven R Hotels Private Limited

***** *Nominated by Ruby QC Investment Holdings Pte. Ltd. as per the terms of the SHA*

Brief Biographies of Directors

Sanjeev Jain is the Managing Director of our Company. He does not hold a formal education degree. He has been associated with our Company as a co-founder, promoter and a director since April 19, 2004. He has significant experience in Indian pharma industry and managing end to end aspects of CDMO business.

Sandeep Jain is the Managing Director of our Company. He holds a bachelor's degree in commerce (pass) from University of Delhi. He has been associated with our Company as a co-founder, promoter and a director since April 19, 2004. He has significant experience in establishing and running large scale pharma manufacturing facilities. Presently, he is the Chairman of Association of Devbhumi Pharma Industries and Past Chairman of Confederation of Indian Industry's state council, Uttarakhand.

Sanjay Sinha is a Whole Time Director and President, Operations of our Company. He holds a bachelor's degree in pharmaceutical sciences from Ranchi University and a master's degree in pharmacy from the University of Delhi. He was previously associated with Ipca Laboratories Limited as the President, Operations (Formulations). He has also served as the President, Operations at the Ahmedabad Plant of Famy Care Limited. He joined our Company with effect from November 26, 2022.

Sunil Kumar Thakur is a Non-Executive Director of our Company and is a nominee of Ruby QC Investment Holdings Pte. Ltd. on our Board**.** He holds a bachelor's degree in business administration from Thames Valley University and a master's degree in international business from the University of Delhi. He is currently associated with Quadria Capital Advisors Private Limited as a partner, where he leads the investments, portfolio management and divestment activities across South-Asia and also serves on the investment committee of the Quadria Capital. Further, he is one of the co-founders of Healthquad Capital Advisors Private Limited and serves on its investment committee. Currently, he is also a member of CII's National Committee on Pharmaceuticals and a member of the governing council of NATHEALTH (Healthcare Foundation of India), wherein he previously served as its treasurer. Previously, he was associated with FiNoble Advisors Private Limited and PNB Gilts Limited. He has over 21 years of experience in private equity and investment banking.

Kewal Kundanlal Handa is an Independent Director of our Company. He is a qualified management accountant and company secretary. He holds a master's degree in commerce from University of Bombay. He has also attended the Senior Management Programme for Management Development from Indian Institute of Management, Ahmedabad. He is the recipient of The Indian CFO Awards 2004 for "Excellence in Finance in an MNC". Previously, he has held directorships of Pfizer Limited, India. He was appointed as the non-official director and non-executive chairman in the Union Bank of India by the Ministry of Finance, Government of India in 2017.

Satwinder Singh is an Independent Director of our Company. He holds a bachelor's degree in commerce and a bachelor's degree in law from Guru Nanak Dev University, Punjab. He is a fellow member of the Institute of Company Secretaries of India ('**ICSI**'). He was the past Chairman of Expert Group on Secretarial Standards and Secretarial Standards Committee for the years 2021 and 2022. He has also held the chairmanship of the Secretarial Standards Board for the years 2019 and 2020. He was also the Chairman of the Task Force on NCLT/NCLAT for the year 2023.

Matangi Gowrishankar is an Independent Director of our Company. She holds a bachelor's degree in arts from University of Madras and Honours Diploma in Industrial Relations and Welfare from Xavier Labour Relations Institute, Jamshedpur. Previously she has been associated with BP India Services Private Limited as the Director Leadership Academy, with Cummins India as Human Resource Leader and with International Computers India Limited as Vice-President Human Resource Department.

Nand Lal Kalra is an Independent Director of our Company. He holds a master's degree in science (Physics) from Kurukshetra University & a bachelor's degree in law from University of Jodhpur. He has over 36 years of experience as Accountant member of the Income Tax Appellate Tribunal as an Income Tax Officer (with Commissioner of Income Tax being his last held position).

Relationship between our Directors, Key Managerial Personnel and Senior Management Personnel

Except for Sanjeev Jain and Sandeep Jain who are siblings, none of our Directors, Key Managerial Personnel and Senior Management Personnel are related to each other.

Confirmations

None of our Directors is or was a director of any listed company during the five years immediately preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on any stock exchange during the term of their directorship in such company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such company.

None of our Directors have been identified as Wilful Defaulters or Fraudulent Borrower by any bank or financial institution or consortium, in accordance with the applicable guidelines issued by the Reserve Bank of India.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested as members by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

None of our Directors have any interest in any property acquired or proposed to be acquired of our Company or by our Company or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Terms of appointment of our Directors

Sanjeev Jain

Sanjeev Jain was appointed as the Managing Director of our Company for a period of five years beginning from June 30, 2023, pursuant to a board resolution dated June 30, 2023 and the Shareholders' resolution dated June 30, 2023. He was designated as a Whole-time Director pursuant to an employment agreement dated November 12, 2019 for a period of 5 years.

The details of the remuneration payable to Sanjeev Jain for the Financial Year 2023-24 pursuant to the board resolution dated August 25, 2023, are provided below:

(i) **Gross Annual salary**: ₹ 43.60 million;

(ii) **Expenses**: Reimbursement of various expenses

(iii) In addition to above, he will be entitled to the following benefits: Variable pay: 0.20% of the consolidated operating earnings before interest, tax and depreciation (operating EBITDA) from financial year 2023-24 and onwards.

Sandeep Jain

Sandeep Jain was appointed as the Managing Director of our Company for a period of five years beginning from June 30, 2023, pursuant to a board resolution dated June 30, 2023 and the Shareholders' resolution dated June 30, 2023. He was designated as a Whole-time Director pursuant to an employment agreement dated November 12, 2019 for a period of 5 years.

The details of the remuneration payable to Sanjeev Jain for the Financial Year 2023-24 pursuant to the board resolution dated August 25, 2023, are provided below.

(i) **Gross Annual salary**: ₹ 43.60 million;

(ii) **Expenses**: Reimbursement of various expenses

(iii) In addition to above, he will be entitled to the following benefits: Variable pay: 0.20% (point two zero percentage) of the consolidated operating earnings before interest, tax and depreciation (operating EBITDA) from financial year 2023-24 and onwards.

Sanjay Sinha

(i) **Gross Annual salary**: ₹ 14.00 million

(ii) **Expenses**: Nil

Remuneration to our Executive Directors

Details of the remuneration paid to our Executive Directors in Financial Year 2023 are set forth below:

S. No.	Name of Executive Director	Annual Remuneration (in ₹ million)
1.	Sanjeev Jain	38.00
2.	Sandeep Jain	38.00

(1) Since Sanjay Sinha was appointed in Fiscal 2024, he did not receive any remuneration as Director in Fiscal 2023

Remuneration to our Non-Executive Directors

Non- Executive Directors

Pursuant to the resolutions dated August 25, 2023 and January 17, 2024 passed by our Board, our Independent Directors, Kewal Kundanlal Handa, Matangi Gowrishankar and Satwinder Singh, are entitled to receive a sitting fee of ₹100,000 for attending each meeting of our Board and sitting fee of ₹ 100,000 for attending each meeting of the committees of the Board. Nand Lal Kalra, Independent Director on our Board, is entitled to receive a sitting fee of ₹100,000 for attending each meeting of our Board and a sitting fee of ₹ 50,000 for attending each meeting of the committees of the Board. Further, our Non-Executive director, Sunil Kumar Thakur is not entitled to receive any sitting fee for attending meetings of our Board and attending each meeting of the committees of our Board.

Details of the remuneration paid to our Non- Executive Directors in Financial Year 2023 are set forth below:

S. No.	Name of Non-Executive Director	Annual Remuneration (in ₹ million)
1.	Kewal Kundanlal Handa	2.40
2.	Matangi Gowrishankar	2.20
3.	Nand Lal Kalra	0.47

(1) *Since Satwinder Singh was appointed in Fiscal 2024, he did not receive any remuneration as Director in Fiscal 2023*

There is no contingent or deferred compensation payable to any of our Directors which accrued in Financial Year 2023.

Remuneration paid to our Directors by our Subsidiaries

As on the date of this Draft Red Herring Prospectus none of our Directors have been paid any remuneration by our Subsidiaries, including contingent or deferred compensation accrued for the year during Financial Year 2023.

Arrangement or understanding with major Shareholders, customers, suppliers or others

Except Sunil Kumar Thakur, nominee of Ruby QC Investment Holdings Pte. Ltd. and who has been appointed as a Director pursuant to the director nomination right available to Ruby QC Investment Holdings Pte. Ltd. In terms of the SHA, none of our Directors have been appointed or selected as a Director pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Service Contracts with Directors

For details, see "- *Terms of appointment of our Directors*" on page 222.

Bonus or profit-sharing plan for Directors

Except for the variable pay payable to Sanjeev Jain and Sandeep Jain, our Company does not have any bonus or profit-sharing plan for Directors. For details, see *"- Terms of appointment of our Directors"* on page 222.

Shareholding of Directors in our Company

As per our Articles of Association, our Directors are not required to hold any qualification shares.

As on the date of this Draft Red Herring Prospectus, none of our Directors hold any Equity Shares, except as disclosed below:

S. No.	Name of the shareholder	Pre-Offer number of Equity Shares	Percentage of the pre-Offer equity share capital (%)	Post-Offer number of Equity Shares	Percentage of the post-Offer Equity Share capital (%)
			Promoters		
1.	Sanjeev Jain	60,725,940$^{\beta}$	42.42$^{\beta}$	[●]	[●]
2.	Sandeep Jain	60,739,690$^{\alpha}$	42.45$^{\alpha}$	[●]	[●]
3.	Akums Master Trust*	-	-	[●]	[●]

β Includes 33,000 Equity Shares held jointly by Sanjeev Jain with Arushi Jain.

Α Includes 5,500 Equity Shares held jointly by Sandeep Jain with Kanishk Jain and 5,500 Equity Shares held jointly by Sandeep Jain with Manan Jain.

* *Our individual Promoters, i.e., Sanjeev Jain and Sandeep Jain, will transfer 32,100,000 Equity Shares each, to D.C. Jain, the settlor of the Promoter Trust, prior to filing of the Red Herring Prospectus with the RoC. The settlor of the Promoter Trust will further transfer the Equity Shares to the Promoter Trust prior to filing of the Red Herring Prospectus with the RoC.*

Interests of Directors

Our Directors may be deemed to be interested to the extent of the remuneration (including sitting fees, as applicable) and reimbursement of expenses, payable to them by our Company under our Articles of Association and their terms of appointment, and to the extent of remuneration paid to them for services rendered as an officer or employee or director of our Company and/or Subsidiary. For details, see "*-Terms of appointment of our Directors"* on page 222.

Except Sanjeev Jain and Sandeep Jain, who are the Promoters of our Company, none of our Directors have any interests in the promotion or formation of our Company

The Directors may also be regarded as interested in the Equity Shares that may be subscribed by or allotted to their relatives and companies, firms and trusts, in which they are interested as directors, proprietors, members, partners, trustees and promoters, pursuant to this Offer.

Our Non-Executive Director, Sunil Kumar Thakur, nominated by Ruby QC Investment Holdings Pte. Ltd. in terms of the SHA, may be deemed to be interested to the extent of the shareholding of Ruby QC Investment Holdings Pte. Ltd., in our Company.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which any of our Directors are interested as members, by any person, either to induce him to become, or to qualify him as, as a Director, or otherwise for services rendered by our Directors or by the firm or company in which they are interested as members, in connection with the promotion or formation of our Company.

Except as disclosed below, none of our Directors have any interest in any property acquired in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction by our Company for acquisition of land, construction of building or supply of machinery:

Pursuant to a sale deed dated October 1, 2022 read with supplementary agreement to sale deed dated November 12, 2022, Akome Lifecare Private Limited, in which Sanjeev Jain and Sandeep Jain hold 49.98% shares each, has acquired a property from Akums Healthcare Limited, which is a subsidiary of our Company, for a consideration of ₹ 271.00 million. In addition to this, ₹ 25.43 million was paid as rent to Sandeep Jain and ₹ 24.27 million was paid as rent to Sanjeev Jain for the year ended March 31, 2023

No loans have been availed by our Directors from our Company.

Changes in our Board in the last three years

Details of the changes in our Board in the last three years are set forth below:

Name	Date of Change	Reason for change in board
Sanjay Sinha	January 17, 2024	Appointment as a Whole Time Director of the Company

Name	Date of Change	Reason for change in board
Satwinder Singh	January 17, 2024	Appointment as an Independent Director of the Company
Sunil Kumar Thakur	January 17, 2024	Appointment as a Non-executive Director of the Company
Amit Varma	January 17, 2024	Resignation as the Director of the Company
Basant Kumar Singh	January 17, 2024	Resignation as the Whole Time Director of the Company
Deepak Gurudas Haldankar	March 31, 2022	Resignation as the Whole Time Director of the Company
Neena Vivek	April 15, 2022	Resignation as the Director of the Company

Borrowing powers of the Board

Pursuant to a resolution passed by our Board in its meeting dated April 01, 2014 and our Shareholders at their meeting dated September 07, 2014, our Board is authorized to borrow a sum or sums of money, which together with the monies already borrowed by our Company, apart from temporary loans obtained or to be obtained by our Company in the ordinary course of business, in excess of our Company's aggregate paid-up capital and free reserves, provided that the total amount which may be so borrowed and outstanding shall not exceed a sum of ₹ 20,000 million.

Corporate Governance

The provisions relating to corporate governance prescribed under the SEBI Listing Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of corporate governance with respect to composition of Board and constitution of the committees of our Board, including the audit committee, stakeholders' relationship committee, nomination and remuneration committee, corporate social responsibility committee and risk management committee by our Company and formulation and adoption of policies, as prescribed under the SEBI Listing Regulations. In terms of the SEBI Listing Regulations, Nand Lal Kalra has been appointed as an independent director on the board of our material subsidiary (in terms of the definition of material subsidiary stipulated under Regulation 24(i) of SEBI Listing Regulations), namely, PCHL.

Our Board has been constituted in compliance with the Companies Act, 2013, the SEBI Listing Regulations. Our Board functions either as a full board, or through various committees constituted to oversee specific operational areas.

As on the date of this Draft Red Herring Prospectus, our Board comprises eight Directors, i.e., three Executive Directors, five Non-Executive Directors (including four Independent Directors, which includes one-woman Director). In compliance with Section 152 of the Companies Act, 2013, not less than two thirds of the Directors (excluding Independent Directors) are liable to retire by rotation.

Committees of the Board

Details of the Committees as on the date of this Draft Red Herring Prospectus are set forth below. In addition to the Committees detailed below, our Board may, from time to time constitute other committees for various functions.

Audit Committee

The members of the Audit Committee are:

- Kewal Kundanlal Handa, Independent Director (Chairperson)
- Sandeep Jain, Managing Director
- Nand Lal Kalra, Independent Director
- Sunil Kumar Thakur, Non-Executive Director
- Matangi Gowrishankar, Independent Director
- Satwinder Singh, Independent Director

The Audit Committee was constituted pursuant to a resolution dated May 29, 2009 passed by our Board and last re-constituted on January 17, 2024. The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to a resolution dated January 17, 2024 passed by our Board are set forth below:

The Audit Committee shall have powers, which should include the following:

(a) to investigate any activity within its terms of reference;

(b) to seek information from any employee of our Company;

(c) to obtain outside legal or other professional advice;

(d) to secure attendance of outsiders with relevant expertise if it considers necessary;

(e) to have full access to information contained in records of Company; and

(f) such powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

Role of Audit Committee

The role of the Audit Committee shall, *inter alia,* include the following:

(a) oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(b) recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee;

(c) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(d) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

1. 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;

2. changes, if any, in accounting policies and practices and reasons for the same;

3. major accounting entries involving estimates based on the exercise of judgment by management;

4. significant adjustments made in the financial statements arising out of audit findings;

5. compliance with listing and other legal requirements relating to financial statements;

6. disclosure of any related party transactions;

7. modified opinion(s) in the draft audit report;

(e) reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the board for approval;

(f) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter;

(g) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(h) formulating a policy on related party transactions, which shall include materiality of related party transactions;

(i) approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

(j) scrutiny of inter-corporate loans and investments;

(k) valuation of undertakings or assets of the Company and appointing a registered valuer in terms of Section 247 of the Companies Act, wherever it is necessary;

(l) evaluation of internal financial controls and risk management systems;

(m) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(n) 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;

(o) discussion with internal auditors of any significant findings and follow up there on;

(p) 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;

(q) 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;

(r) 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;

(s) to review the functioning of the whistle blower mechanism;

(t) monitoring the end use of funds through public offers and related matters;

(u) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

(v) identification of list of key performance indicators and related disclosures in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, for the purpose of the Company's proposed initial public offering;

(w) carrying out any other function as is mentioned in the terms of reference of the audit committee or as required as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, or any other applicable law, as and when amended from time to time;

(x) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision; and

(y) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

The Audit Committee shall mandatorily review the following information:

- management discussion and analysis of financial condition and results of operations;
- management letters / letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses; and
- the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- statement of deviations:

  (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

  (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- To review the financial statements, in particular, the investments made by any unlisted subsidiary; and
- Such information as may be prescribed under the Companies Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

- Matangi Gowrishankar, Independent Director (Chairperson)
- Nand Lal Kalra, Independent Director
- Sunil Kumar Thakur, Non-Executive Director
- Kewal Kundanlal Handa, Independent Director
- Satwinder Singh, Independent Director

The Nomination and Remuneration Committee was constituted pursuant to a resolution dated April 1, 2010 passed by our Board and last re-constituted on January 17, 2024. The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to a resolution dated January 17, 2024 passed by our Board are set forth below:

(a) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the "**Board**" or "**Board of Directors**") a policy relating to the remuneration of the directors, key managerial personnel and other employees ("**Remuneration Policy**"). The Nomination and Remuneration Committee, while formulating the Remuneration policy, should ensure that:

    (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;

    (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

    (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

(b) formulation of criteria for evaluation of performance of independent directors and the Board;

(c) for every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

    (i) use the services of an external agencies, if required;

    (ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and

    (iii) consider the time commitments of the candidates.

(d) devising a policy on Board diversity;

(e) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director);

(f) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(g) recommend to the Board, all remuneration, in whatever form, payable to senior management;

(h) perform such functions as are required to be performed by the Nomination and Remuneration Committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, including the following:

    - administering the employee stock option plans of the Company, as may be required;
    - determining the eligibility of employees to participate under the employee stock option plans of the Company;
    - granting options to eligible employees and determining the date of grant;
    - determining the number of options to be granted to an employee;
    - determining the exercise price under the employee stock option plans of the Company; and

- construing and interpreting the employee stock option plans of the Company and any agreements defining the rights and obligations of the Company and eligible employees under the employee stock option plans of the Company, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the employee stock option plans of the Company.

(i) carrying out any other activities as may be delegated by the Board of Directors and functions required to be carried out by the Nomination and Remuneration Committee as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

- Satwinder Singh, Independent Director (Chairperson)
- Sandeep Jain, Managing Director
- Sanjeev Jain, Managing Director
- Kewal Kundanlal Handa, Independent Director
- Nand Lal Kalra, Independent Director

The Stakeholders' Relationship Committee was constituted pursuant to resolution of our Board dated December 24, 2021 and last re-constituted on January 17, 2024. The scope and functions of the Stakeholder Relationship Committee are in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to a resolution dated January 17, 2024 passed by our Board are set forth below:

(a) Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

(b) Review of measures taken for effective exercise of voting rights by shareholders.

(c) formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time.

(d) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

(e) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and

(f) carrying out any other functions required to be carried out by the Stakeholders' Relationship Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Risk Management Committee

The members of the risk management committee are:

- Sandeep Jain, Managing Director
- Sanjeev Jain, Managing Director (Chairperson)
- Kewal Kundanlal Handa, Independent Director
- Nand Lal Kalra, Independent Director
- Matangi Gowrishankar, Independent Director
- Sumeet Sood, Chief Financial Officer

The Risk Management Committee was constituted pursuant to a resolution dated December 24, 2021 passed by our Board and last reconstituted on January 17, 2024. The scope and functions of the Risk Management Committee are in accordance with the SEBI Listing Regulations and its terms of reference as stipulated pursuant to a resolution dated [January 17, 2024] passed by our Board are set forth below:

1. To formulate a detailed risk management policy which shall include:

   a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

   b) Measures for risk mitigation including systems and processes for internal control of identified risks.

   c) Business continuity plan.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;

7. any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law, as and when amended from time to time, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Corporate Social Responsibility Committee

The members of the corporate social responsibility Committee are:

- Sandeep Jain, Managing Director (Chairperson)
- Sanjeev Jain, Managing Director
- Sunil Kumar Thakur, Non-Executive Director
- Matangi Gowrishankar, Independent Director
- Nand Lal Kalra, Independent Director

The corporate social responsibility committee was constituted by our Board pursuant to a resolution dated January 4, 2014 passed by our Board and last re-constituted on January 17, 2024. The scope and functions of the corporate social responsibility committee are in accordance with section 135 of the Companies Act, 2013 and its terms of reference as stipulated pursuant to a resolution dated January 17, 2024 passed by our Board are set forth below:

(a) formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, as amended;

(b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a);

(c) monitor the corporate social responsibility policy of the Company and its implementation from time to time; and

(d) any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time and/or as may be required under applicable law, as and when amended from time to time

IPO Committee

The members of the IPO Committee are:

- Sanjeev Jain, Managing Director
- Sandeep Jain, Managing Director

- Sunil Kumar Thakur, Non-Executive Director

The initial public offering committee was constituted by our Board pursuant to a resolution dated October 23, 2023 passed by our Board and last re-constituted on January 17, 2024. The scope and functions of the initial public offering committee and its terms of reference as stipulated pursuant to a resolution dated January 17, 2024 passed by our Board are set forth below:

(a) To decide, in consultation with the BRLMS, the size, timing, pricing and all other terms and conditions of the issue and transfer of the Equity Shares for the Offer, including the number of Equity Shares to be offered pursuant to the Offer (including any reservation, green shoe option and any rounding off in the event of oversubscription) price and any discount allowed under Applicable Laws that may be fixed and determined in accordance with the Applicable Laws, and to accept any amendments, modifications, variations, or alterations thereto;

(b) To amend the terms of participation by the Selling Shareholders in the Offer for Sale, including to allow revisions in the Offer for Sale portion, in accordance with Applicable Laws;

(c) To make applications, seek clarifications, obtain approvals and seek exemptions from, where necessary, from the RBI, SEBI, the relevant registrar of companies and any other governmental or statutory authorities as may be required in connection with the Offer and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required and wherever necessary, incorporate such modifications / amendments as may be required in the draft red herring prospectus, the red herring prospectus and the prospectus as applicable;

(d) To finalize, settle, approve, adopt and file in consultation with the BRLMs where applicable, the DRHP, the RHP the Prospectus, the preliminary and final international wrap and any amendments, supplements, notices, addenda or corrigenda thereto, and take all such actions as may be necessary for the submission and filing of these documents including incorporating such alterations/corrections/ modifications as may be required by SEBI, the RoC or any other relevant governmental and statutory authorities or in accordance with Applicable Laws;

(e) To decide in consultation with the BRLMs on the actual Offer size, timing, pricing, discount, reservation and all the terms and conditions of the Offer, including the price band (including offer price for anchor investors), bid period, Offer price, and to do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Offer including to make any amendments, modifications, variations or alterations in relation to the Offer;

(f) To appoint and enter into and terminate arrangements with the BRLMs, underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, refund bankers to the Offer, registrars, legal advisors, auditors, and any other agencies or persons or intermediaries to the Offer and to negotiate, finalise and amend the terms of their appointment, including but not limited to the execution of the mandate letter with the BRLMs and negotiation, finalization, execution and, if required, amendment of the offer agreement with the BRLMs;

(g) To negotiate, finalise and settle and to execute and deliver or arrange the delivery of the DRHP, the RHP, the Prospectus, offer agreement, syndicate agreement, underwriting agreement, share escrow agreement, cash escrow agreement, agreements with the registrar to the offer and all other documents, deeds, agreements and instruments whatsoever with the registrar to the Offer, legal advisors, auditors, stock exchange(s), BRLMs and any other agencies/intermediaries in connection with the Offer with the power to authorise one or more officers of the Company to execute all or any of the aforesaid documents or any amendments thereto as may be required or desirable in relation to the Offer;

(h) To seek, if required, the consent and/or waiver of the lenders of the Company, customers, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents and/or waivers that may be required in relation to the Offer or any actions connected therewith;

(i) To open and operate bank accounts in terms of the escrow agreement and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

(j) To open and operate bank accounts of the Company in terms of Section 40(3) of the Companies Act, 2013, as amended, and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

(k) To authorize and approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer;

(l) To accept and appropriate the proceeds of the Offer in accordance with the Applicable Laws;

(m) 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;

(n) To approve the implementation of any corporate governance requirements that may be considered necessary by the Board or the IPO Committee or as may be required under the applicable laws or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**") and listing agreements to be entered into by the Company with the relevant stock exchanges, to the extent allowed under law;

(o) To issue receipts/allotment letters/confirmation of allotment 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 stock exchange(s), with power to authorize one or more officers of the Company to sign all or any of the aforestated documents;

(p) To authorize and approve notices, advertisements in relation to the Offer in consultation with the relevant intermediaries appointed for the Offer;

(q) To do all such acts, deeds, matters and things and execute all such other documents, etc., as may be deemed necessary or desirable for such purpose, including without limitation, to finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of allotment letters/confirmation of allotment notes, share certificates in accordance with the relevant rules, in consultation with the BRLMs;

(r) To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign and / or modify, as the case maybe, agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection and to authorize one or more officers of the Company to execute all or any of the aforestated documents;

(s) To make applications for listing of the Equity Shares in one or more stock exchange(s) for listing of the Equity Shares and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s) in connection with obtaining such listing including without limitation, entering into listing agreements and affixing the common seal of the Company where necessary;

(t) To settle all questions, difficulties or doubts that may arise in regard to the Offer, including such issues or allotment, terms of the IPO, utilisation of the IPO proceeds and matters incidental thereto as it may deem fit;

(u) To submit undertaking/certificates or provide clarifications to the SEBI, Registrar of Companies, and the relevant stock exchange(s) where the Equity Shares are to be listed;

(v) To negotiate, finalize, settle, execute and deliver any and all other documents or instruments and to do or cause 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 this resolution or in connection with the Offer 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;

(w) To approve suitable policies on insider trading, whistle-blowing, risk management, and any other policies as may be required under the SEBI Listing Regulations or any other Applicable Laws;

(x) To approve the list of 'group of companies' of the Company, identified pursuant to the materiality policy adopted by the Board, for the purposes of disclosure in the DRHP, RHP and Prospectus;

(y) Deciding, negotiating and finalising the pricing and all other related matters regarding the Pre-IPO Placement, including the execution of the relevant documents with the investors in consultation with the BRLMs and in accordance with applicable laws;

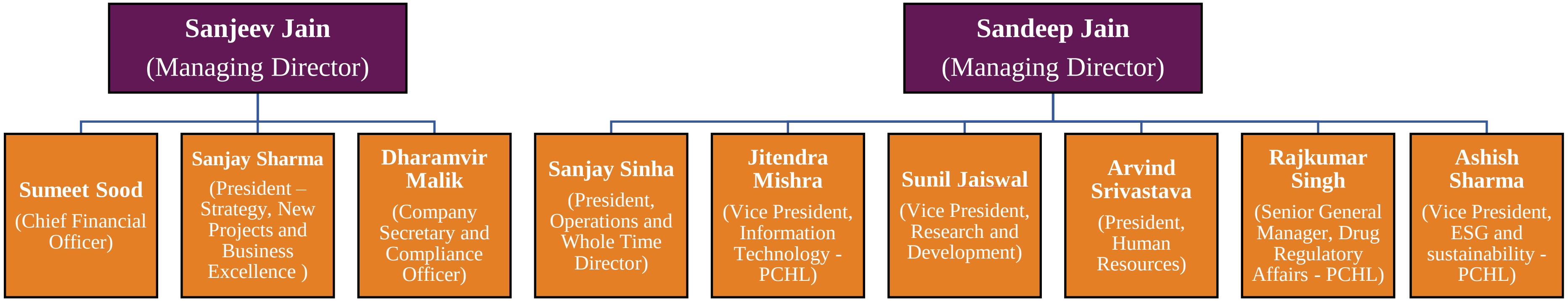
(z) taking on record the approval of the Selling Shareholders for offering their Equity Shares in the Offer for Sale;

(aa) to withdraw the DRHP or the RHP or to decide to not proceed with the Issue at any stage in accordance with Applicable Laws and in consultation with the BRLMs;

(bb) To appoint, in consultation with the BRLMs, the registrar and other intermediaries to the Offer, in accordance with the provisions of the SEBI Listing Regulations and other Applicable Laws including legal counsels, banks or agencies concerned and entering into any agreements or other instruments for such purpose, to remunerate all such intermediaries/agencies including the payments of commissions, brokerages, etc. and to terminate any agreements or arrangements with such intermediaries/ agents; and

(cc) To delegate any of its powers set out hereinabove, as may be deemed necessary and permissible under Applicable Laws to the officials of the Company.

Management Organisation Chart



Key Managerial Personnel

In addition to Sanjeev Jain and Sandeep Jain, who are the Managing Directors of our Company and Sanjay Sinha who is the Whole Time Director of our Company, whose details are provided in "*Our Management – Brief Biographies of Directors"* on page 221, the details of the Key Managerial Personnel, as on the date of this Draft Red Herring Prospectus are set forth below:

Sumeet Sood is the Chief Financial Officer of our Company. He holds a bachelor's degree in commerce from University of Delhi. He is a Chartered Accountant and is registered with the Institute of Chartered Accountants of India. He was previously associated with HT Media Limited, Amar Ujala Publications Limited, Airfreight Limited, Jubilant Organosys Limited, Arthur Anderson and Associates and Crystal Corp Protection Limited. He joined our Company with effect from February 14, 2022. He is responsible for heading all accounts, finance and banking teams in our Company. During Fiscal 2023, he received an aggregate compensation of ₹ 13.23 million.

Dharamvir Malik is the Company Secretary and Compliance Officer of our Company. He is a fellow member of the Institute of Company Secretaries of India. He holds a bachelor's degree in law from Dr. Bhimrao Ambedkar University, Agra. He has completed an executive programme in business management from the Indian Institute of Management, Lucknow and a post graduate diploma in patents laws from National Academy of Legal Studies and Research, Hyderabad. He was previously associated with Suruchi Foods Private Limited. He joined our Company with effect from November 06, 2013. He is responsible for handling all company secretarial affairs and compliance related to corporate governance of the Company. During Fiscal 2023, he received an aggregate compensation of ₹ 2.14 million.

For brief biographies of Sanjeev Jain and Sandeep Jain, see "– *Brief Biographies of Directors*" on page 221. For details of compensation paid to them during Financial Year 2023, see "– *Remuneration to our Executive Directors*" on page 223.

Senior Management Personnel of our Company

In addition to Sumeet Sood, the Chief Financial Officer of our Company and Dharamvir Malik, the Company Secretary and Compliance Officer of our Company, whose details are provided in "- *Key Managerial Personnel*" on page 234, the details of our other Senior Management Personnel as of the date of this Draft Red Herring Prospectus are set forth below:

Arvind Srivastava is the President, Human Resource of our Company. He holds a bachelor's degree in law from University of Lucknow and a post graduate diploma in personnel management and industrial relation from Institute of Engineering and Rural Technology, Allahabad. He was previously associated with Bansal Wire Industries Limited, Rockman Industries Limited, Usha International Limited, DSC Limited, Siel Chemical Complex and Winsome Knitwear. He joined our Company with effect from December 16, 2022. He is responsible for heading human resources at group level and taking care of all human resource related activities mainly for formulations, active pharmaceutical ingredients and partially for the pharma marketing group business. During Fiscal 2023, he received an aggregate compensation of ₹ 2.69 million.

Jitendra Mishra is the Vice President, Information Technology of PCHL. He holds a bachelor's degree in commerce from Kanpur University and honours diploma in network centred computing from National Institute of Information Technology. He was previously associated with Wanbury Limited and Alembic Pharmaceuticals Limited. He joined PCHL with effect from August 1, 2022. He is responsible for providing strategic direction and creating digital capabilities, leading the team in planning, generating and implementing enterprise information business systems. He is also responsible for establishing information technology governance, risk and compliance with a high focus on cyber security across the organization. During Fiscal 2023, he received an aggregate compensation of ₹ 3.97 million from PCHL.

Sanjay Sharma is the President, Strategy, New Projects and Business Excellence of our Company. He holds a bachelor's degree in pharmacy from the University of Delhi and a post graduate diploma in business management from the Institute of Management Technology, Ghaziabad. He also holds a post graduate diploma in pharmaceutical marketing management and a post graduate diploma in pharmaceutical promotion and advertising management from the Institute of Pharmaceutical Education and Research, Pune. He was previously associated with Alniche Lifesciences Private Limited, Dalmia Industries Limited, Khandelwal Laboratories Private Limited, Lexicon Lifesciences, Martin and Harris Private Limited, Nortons Group, Brawn Pharmaceuticals Limited, ORGIMS Research Private Limited, SYSTOPIC Laboratories Private Limited and CliniExperts Services Private Limited. He joined our Company with effect from December 01, 2021. He is responsible for identification of new products, research and development coordination, getting regulatory approvals, pitching products to clients and developing strategies to establish new manufacturing projects in our Company. During Fiscal 2023, he received an aggregate compensation of ₹ 9.88 million.

Ashish Sharma is the Vice President, Environmental and Social Governance ("**ESG**") and sustainability of PCHL. He holds a master's degree in sciences from Chaudhary Charan Singh University, Meerut and a master's in business administration from Sikkim Manipal University. He was previously associated with Aditya Birla Nuvo Limited, Sanghi Industries Limited, Hindalco Industries Limited, Century Textiles and Industries Limited, Nuvoco Vistas Corporation Limited, Grasim Industries Limited and Cement Manufacturing Co. Limited. He joined PCHL with effect from August 14, 2023. He is responsible for guiding and implementing sustainable and ESG strategies to ensure corporate responsibility, risk mitigation and long-term value creation for stakeholders. Since he joined PCHL after Fiscal 2023, he did not receive any compensation during Fiscal 2023.

Rajkumar Singh is the Senior General Manager, Drug Regulatory Affairs of PCHL. He holds a bachelor's degree in science and master's degree in science (chemistry) from Purvanchal University, Janpur. He also holds a doctorate of philosophy from Veer Bahadur Singh Purvanchal University, Janpur. He was previously associated with Venus Remedies Limited. He joined PCHL with effect from June 26, 2017. He is responsible for heading corporate regulatory affairs, pharmacovigilance, packaging and development compliances. During Fiscal 2023, he received an aggregate compensation of ₹ 4.22 million from PCHL.

Sunil Jaiswal is the Vice President of Research and Development of our Company. He holds a bachelor's degree in pharmacy, a master's degree in pharmacy and doctorate of philosophy from Nagpur University. He was previously associated with Hindustan Ciba Geigy Limited, Zim Laboratories Limited, Inventia Healthcare Private Limited, Macleods Pharmaceuticals Limited, Sun Pharmaceuticals Industries Limited. He joined our Company with effect from July 05, 2023. He is responsible for steering the research and development formulation and analytical team to develop stable formulations for filings with the Drugs Controller General of India and also products which are launched through the local food and drugs authorities' route. He is also responsible to provide solutions to problems encountered in commercially manufactured products across all manufacturing locations to ensure smooth commercial supplies. Since he joined our Company after Fiscal 2023, he did not receive any compensation during Fiscal 2023.

Status of Key Managerial Personnel and Senior Management Personnel

All our Key Managerial Personnel and Senior Management Personnel are permanent employees of our Company, except Jitendra Mishra (Vice President Information Technology), Ashish Sharma (Vice President ESG and sustainability) and Rajkumar Singh (Senior General Manager, Drug Regulatory Affairs), who are permanent employees of our subsidiary PCHL.

Interests of Key Managerial Personnel and Senior Management Personnel

Other than as provided in "*Our Management – Interests of Directors*", our Key Managerial Personnel and Senior Management Personnel do not have any interests in our Company, other than to the extent of (i) the remuneration or benefits to which they are entitled in accordance with the terms of their appointment or reimbursement of expenses incurred by them during the ordinary course of business by our Company; and (ii) the Equity Shares and employee stock options held by them, if any, and any dividend payable to them and other benefits arising out of such shareholding. For details, see *"- Shareholding of the Key Managerial Personnel and Senior Management Personnel*" on page 235.

Bonus or profit-sharing plans for our Key Managerial Personnel and Senior Management Personnel

Except Sumeet Sood, who is entitled to a variable pay of ₹4.83 million per annum pursuant to the resolution of our Board dated June 30, 2023 and as disclosed in "*Terms of appointment of our Directors*" on page 222, none of our Key Managerial Personnel or Senior Management Personnel are entitled to any bonus (excluding performance linked incentive which is part of their remuneration) or profit-sharing plans of our Company.

Shareholding of Key Managerial Personnel and Senior Management Personnel in our Company

Except as disclosed in "*– Shareholding of Directors in our Company*" on page 224, and "*Capital Structure –Share capital history of our Company*" on page 72, none of our Key Managerial Personnel and Senior Management Personnel hold any Equity Shares in our Company.

For details of ESOPs held by our Key Managerial Personnel and Senior Management Personnel, see "*Capital Structure – Employee Stock Options Scheme of our Company*" on page 86.

Changes in Key Managerial Personnel and Senior Management Personnel in the three immediately preceding years

Details of the changes in our key managerial personnel and senior management personnel in the three immediately preceding years are set forth below:

Name	Date of change	Reason for change
Ashish Sharma	August 14, 2023	Appointment as Vice President ESG and sustainability of PCHL
Anil Gaur	August 3, 2023	Resignation as Chief People Officer of MLPL
Sunil Jaiswal	July 05, 2023	Appointment as the Vice President of Research and Development of our Company
Arvind Srivastava	December 16, 2022	Appointment as President, Human Resources of the Company
Sanjay Verma	July 19, 2022	Resignation as Vice President Information Technology of PCHL
Sumeet Sood	February 14, 2022	Appointment as the Chief Financial Officer of the Company
Jitendra Mishra	August 1, 2022	Appointment as Vice President Information Technology of PCHL
Vinod Raheja	January 4, 2022	Resignation as the Chief Financial Officer of the Company
Anil Gaur	September 16, 2021	Appointment as Chief People Officer of MLPL
Sanjay Sharma	December 01, 2021	Appointment as President, Strategy, New Projects and Business Excellence of the Company

Arrangements and understanding with major shareholders, customers, suppliers or others

None of our Key Managerial Personnel and Senior Management Personnel have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Contingent and deferred compensation payable to our Key Managerial Personnel and Senior Management Personnel

There is no contingent or deferred compensation payable to any of our Key Managerial Personnel and Senior Management Personnel which accrued in Fiscal 2023.

Payment or benefit to officers of our Company

Except as disclosed under "- *Service contracts with Directors*" on page 224 and statutory entitlements for benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors, Key Managerial Personnel and Senior Management Personnel, is entitled to any benefits upon termination of employment under any service contract entered into with our Company.

Except for the remuneration for services rendered as Directors, officers or employees of our Company, the sitting fees paid to Dharamvir Malik for his directorship in Akums Lifesciences Limited and Akums Healthcare Limited and as disclosed in " – *Interests of Directors*" on page 224 and stated otherwise in this Draft Red Herring Prospectus and any statutory payments made by our Company, no amounts or benefits in kind have been paid or given, or are intended to be paid or given, to any of our Company's officers including the Key Managerial Personnel and Senior Management Personnel in the two years preceding the date of this Draft Red Herring Prospectus.

Employee stock option plan

For details of ESOP 2022, see "*Capital Structure - Employee Stock Options Scheme of our Company*" on page 86.

OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are Sanjeev Jain, Sandeep Jain, and Akums Master Trust.

As on the date of this Draft Red Herring Prospectus, our Promoters, in aggregate, hold 121,465,630 Equity Shares (which includes 33,000 Equity Shares held jointly by Sanjeev Jain with Arushi Jain, 5,500 Equity Shares held jointly by Sandeep Jain with Kanishk Jain, and 5,500 Equity Shares held jointly by Sandeep Jain with Manan Jain) in our Company, representing 84.90% of the issued, subscribed and paid-up Equity Share capital of our Company, on a fully diluted basis. 32,100,000 Equity Shares each will be transferred by Sanjeev Jain and Sandeep Jain, respectively, to D.C. Jain, the settlor of the Promoter Trust, prior to filing of the Red Herring Prospectus with the RoC. The settlor of the Promoter Trust will further transfer the Equity Shares to the Promoter Trust prior to filing of the Red Herring Prospectus with the RoC. Upon completion of the aforesaid transfers, Sanjeev Jain, Sandeep Jain, and the Promoter Trust will hold 28,625,940 Equity Shares, 28,639,690 Equity Shares, and 64,200,000 Equity Shares, respectively, representing 19.99%, 20.01%, and 44.87%, respectively, of the issued, subscribed and paid-up Equity Share capital of our Company, calculated on a fully diluted basis.

For further details, see "*Capital Structure - Shareholding of our Promoters and Promoter Group*" on page 84.

Details of our Promoters

	**Sanjeev Jain** (DIN: 00323433), aged 57 years, is the Managing Director of our Company. For a complete profile of Sanjeev Jain, along with details of his date of birth, residential address, educational qualifications, professional experience and posts held in the past, directorships held, other ventures, special achievements, business and other financial activities, see "*Our Management*" on page 219, respectively. His PAN is AAAPJ1897J.
	**Sandeep Jain** (DIN: 00323476), aged 56 years, is the Managing Director of our Company. For a complete profile of Sandeep Jain, along with details of his date of birth, residential address, educational qualifications, professional experience and posts held in the past, directorships held, other ventures, special achievements, business and other financial activities, see "*Our Management*" on page 219, respectively. His PAN is AAAPJ1891Q.

Our Company confirms that the PAN, bank account number, passport number, and driving license number of each of our individual Promoters will be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Promoter Trust

Akums Master Trust

(a) Trust information

Akums Master Trust was formed pursuant to a trust deed dated February 7, 2024. The principal office of Akums Master Trust is located at E – 1052, Saraswati Vihar, Pitampura, New Delhi 110 034.

(b) Trustees

The trustees of Akums Master Trust as on the date of this Draft Red Herring Prospectus are Sanjeev Jain and Sandeep Jain. Dharam Chand Jain is the settlor of Akums Master Trust.

(c) Beneficiaries of the Promoter Trust

The beneficiaries of the Akums Master Trust are:

(a) Sandeep Jain Trust

(b) AUSL Trust

(d) Objects

The objects of the Akums Master Trust are:

1. To establish a sustainable framework for the long-term holding of certain assets and interests of the "Sanjeev Jain Family" and "Sandeep Jain Family" and to create a common holding vehicle for such assets and interests in order to maintain the collective ownership and interest of "Sanjeev Jain Family" and "Sandeep Jain Family" in such assets;

2. To ensure unity among family members by creating a fair manner in dealing with wealth and benefits accruing from the controlled entities;

3. To preserve the family ownership of the companies and ensure perpetuity of businesses;

4. Prevention dilution of stake by sale of shares to outside by any one member or unit without the consent of the rest;

5. To create a corpus to enable the provision & maintenance of common facilities & expenses to the Sanjeev Jain Family and Sandeep Jain Family;

6. To create a common fund to enable investments in new ventures;

7. To ensure unit-wise equated flow of earnings to units that are involved in businesses that are owned/ funded by the trust;

8. To ensure effective succession planning and inter-generational transfer of trust property for the benefit of the beneficiaries.

Our Company confirms that the permanent account number and bank account number of Akums Master Trust will be submitted to the Stock Exchanges after the time of filing of this Draft Red Herring Prospectus.

Change in the control of our Company

Our Promoters are the original Promoters of our Company. There has not been any change in the control of our Company during the last five years preceding the date of this Draft Red Herring Prospectus.

Interests of Promoters and Common Pursuits

Our Promoters are interested in our Company to the extent that (i) they have promoted our Company; and (ii) to the extent of their shareholding in our Company, directly and indirectly; including the dividend payable, if any, and any other distributions in respect of the Equity Shares held by them in our Company, from time to time. For details of the shareholding of our Promoters in our Company, see "*Capital Structure*", beginning on page 72.

Our Promoters, Sanjeev Jain and Sandeep Jain, who are also the Executive Directors of our Company, may be deemed to be interested to the extent of their remuneration and reimbursement of expenses, payable to them, if any in their capacity as Managing Directors. Our Promoters are not entitled to remuneration from our Subsidiaries as on the date of this Draft Red Herring Prospectus. For further details, see "*Our Management – Remuneration to our Executive Directors*", "*Our Management – Payment or benefit to officers of our Company*", "*Our Management – Remuneration paid to our Directors by our Subsidiaries" and "Our Management – Interests of Directors*" on pages 223, 236, 223 and 224, respectively. No sum has been paid or agreed to be paid to any of our Promoters or to the firms or companies in which our Promoters are interested as members in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or promoters or otherwise for services rendered by our Promoters or by such firms or companies in connection with the promotion or formation of our Company.

Except as disclosed above and as disclosed in *"Our Management"* and "*Other Financial Information - Related Party Transactions*" on pages 219 and 328, respectively, no amount or benefit has been paid or given by our Company or its Subsidiaries to any of our Promoters, or any of the members of the Promoter Group during the two years preceding the filing of this Draft Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoters or any of the members of the Promoter Group.

Except as disclosed below, our Promoters have no interest in any property acquired by our Company during the three years immediately preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Pursuant to a sale deed dated October 1, 2022 read with supplementary agreement to sale deed dated November 12, 2022, Akome Lifecare Private Limited, in which Sanjeev Jain and Sandeep Jain hold 49.98% shares each, has acquired a property from Akums Healthcare Limited, which is a subsidiary of our Company, for a consideration of ₹ 271.00 million. In addition to this, ₹ 25.43 million was paid as rent to Sandeep Jain and ₹ 24.27 million was paid as rent to Sanjeev Jain for the year ended March 31, 2023.

Other ventures of our Promoters

Other than as disclosed in "-*Entities forming part of our Promoter Group*" and at "*Our Management"* on pages 239 and 219, our promoters are not involved in any other ventures.

Material guarantees given by our Promoters to third parties with respect to Equity Shares of our Company

Our Promoters have not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Draft Red Herring Prospectus.

Companies and firms with which our Promoters have disassociated in the last three years

Except as disclosed below, our Promoters have not disassociated with any company or firm in the last three years as on the date of this Draft Red Herring Prospectus:

Name of Company from which Promoters have disassociated	Reasons and circumstances leading to the disassociation	Date of disassociation
Sanjeev Jain		
Welcure Drugs and Pharmaceuticals Limited	Divestment of stake	Equity shares of Welcure Drugs and Pharmaceuticals Limited were transferred in various tranches in September, 2022
Sandeep Jain		
Welcure Drugs and Pharmaceuticals Limited	Divestment of stake	Equity shares of Welcure Drugs and Pharmaceuticals Limited were transferred in various tranches in September, 2022

Promoter Group

The following individuals and entities constitute our Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations.

Natural persons forming part of our Promoter Group

S. No.	Name of the Promoter	Name	Relationship
1.	Sanjeev Jain	D.C. Jain	Father
		Kiran Jain	Mother
		Sandeep Jain	Brother
		Anita Jain	Sister
		Kusum Jain	Sister
		Lata Jain	Wife
		Arushi Jain	Daughter
		Umang Jain	Son
		Rajiv Mittal	Wife's brother
		Neerja Gupta	Wife's sister
		Sudha Jain	Wife's sister
2.	Sandeep Jain	D.C. Jain	Father
		Kiran Jain	Mother
		Archana Jain	Wife
		Sanjeev Jain	Brother
		Kusum Jain	Sister
		Anita Jain	Sister
		Kanishk Jain	Son
		Manan Jain	Son
		Shivangi Jain	Daughter
		Rajesh Sharma	Wife's brother
		Anuradha Pal	Wife's sister

Entities forming part of our Promoter Group

S. No.	Name of the Entity
1.	Akome Lifecare Private Limited
2.	Akums Foundation
3.	Akum Impex LLP
4.	American Remedies Lifesciences Limited

S. No.	Name of the Entity
5.	Archimani Real Estate Private Limited
6.	Avha Lifesciences Private Limited
7.	AUSL Trust
8.	Delcure Lifesciences Limited
9.	Dhanwantri Vedaresearch LLP
10.	Parke Davis Healthcare Limited
11.	Sarvodaya Industries and Skyscraper Private Limited
12.	Sandeep Jain Trust
13.	Welcure Pharmaceuticals Private Limited

OUR GROUP COMPANIES

Pursuant to a resolution dated January 17, 2024, our Board formulated a policy for identification of group companies and has noted that in accordance with the SEBI ICDR Regulations and for the purpose of disclosure in this Draft Red Herring Prospectus, group companies of our Company shall include (i) the companies (other than our Promoters and Subsidiaries) with which there were related party transactions during the period disclosed in the "*Restated Consolidated Financial Information*", on page 244, during any of the last three Fiscals and the stub period, in respect of which, the Restated Consolidated Financial Information is included; or (ii) the companies considered material by our Board and to be disclosed as group companies, i.e., companies forming part of the Promoter Group with whom our Company has entered into transactions in the most recent financial year and/or stub period, if any, the monetary value of which individually or cumulatively exceeds 10% of the total restated consolidated revenue of our Company for the most recently completed full financial year, shall also be classified as group companies.

Accordingly, in terms of the policy adopted by our Board for identification of group companies, our Board has identified the following as Group Companies of our Company:

S. no.	Group Company	Registered office address
1.	Akome Lifecare Private Limited	210, 2nd Floor, LSC, Mohan Place, Block C, Saraswati Vihar, Pitampura, North West Delhi, Delhi -110 034, India
2.	American Remedies Lifesciences Limited	101, Plot 4, 1st Floor, Mohan Place, LSC, BLK-C, Saraswati Vihar, North West Delhi, Delhi - 110 034, India
3.	Welcure Pharmaceuticals Private Limited	301, 3rd Floor, Laxmi Tower LSC, Saraswati Vihar, Pitampura, Delhi – 110 034, India
4.	Akums Foundation	101, 1st Floor, Mohan Place, LSC, BLK-C, Saraswati Vihar, North West Delhi, Delhi - 110 034, India

Details of our top five Group Companies

1. Akome Lifecare Private Limited ("**Akome**")

The registered office of Akome is situated at 210, 2nd Floor, LSC, Mohan Place, Block C, Saraswati Vihar, Pitampura, North West Delhi, Delhi -110 034, India. In accordance with the SEBI ICDR Regulations, the details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of Akome for Fiscal 2023 are available at https://www.akums.in/investors/.

It is clarified that such details available in relation to Akome on the website of the Company do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information would be doing so at their own risk. The link above has been provided solely to comply with the requirements of the SEBI ICDR Regulations.

2. American Remedies Lifesciences Limited (**"American Remedies"**)

The registered office of American Remedies is situated at 101, Plot 4, 1st Floor, Mohan Place, LSC, BLK-C, Saraswati Vihar, North West Delhi, Delhi - 110 034, India. In accordance with the SEBI ICDR Regulations, the details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of American Remedies for Fiscal 2021, Fiscal 2022 and Fiscal 2023 are available at https://www.akums.in/investors/.

It is clarified that such details available in relation to American Remedies on the website of the Company do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information would be doing so at their own risk. The link above has been provided solely to comply with the requirements of the SEBI ICDR Regulations.

3. Welcure Pharmaceuticals Private Limited ("**WPPL**")

The registered office of WPLL is situated at 301, 3rd Floor, Laxmi Tower LSC, Saraswati Vihar, Pitampura, Delhi – 110 034, India. In accordance with the SEBI ICDR Regulations, the details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of WPPL for Fiscal 2021, Fiscal 2022 and Fiscal 2023 are available at https://www.akums.in/investors/.

It is clarified that such details available in relation to WPPL on the website of the Company do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information would be doing so at their own risk. The link above has been provided solely to comply with the requirements of the SEBI ICDR Regulations.

4. Akums Foundation

The registered office of Akums Foundation is situated at 101, 1st Floor, Mohan Place, LSC, BLK-C, Saraswati Vihar, North West Delhi, Delhi - 110 034, India. Akums Foundation is registered under section 8 of the Companies Act, 2013. In accordance with the SEBI ICDR Regulations, the details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of Akums Foundation for Fiscal 2021, Fiscal 2022 and Fiscal 2023 are available at https://www.akums.in/investors/.

It is clarified that such details available in relation to Akums Foundation on the website of the Company do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information would be doing so at their own risk. The link above has been provided solely to comply with the requirements of the SEBI ICDR Regulations.

Nature and extent of interest of our Group Companies

a. In the promotion of our Company

Our Group Companies do not have any interest in the promotion of our Company.

b. In the properties acquired by us in the preceding three years before filing this Draft Red Herring Prospectus or proposed to be acquired by our Company

Except Akome, our Group Companies are not interested in the properties acquired by us in the three years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on the date of this Draft Red Herring Prospectus. For details, please see "*Our Promoters and Promoter Group - Interests of Promoters and Common Pursuits*" on page 238.

c. In transactions for acquisition of land, construction of building and supply of machinery

Our Group Companies are not interested in any transactions for the acquisition of land, construction of building or supply of machinery.

Common pursuits between our Group Companies and our Company

There are no common pursuits amongst our Group Companies and our Company.

Related business transactions with the Group Companies and significance on the financial performance of our Company

Other than the transactions disclosed in the section "*Restated Consolidated Financial Information –Note 45 – Related party disclosures*" on page 293, there are no other related business transactions with our Group Companies.

Business interest of our Group Companies in our Company

Other than the transactions disclosed in the section "*Restated Consolidated Financial Information –Note 45 – Related party disclosures*" on page 293, none of our Group Companies have business interest in our Company.

Litigation

Our Group Companies are not party to any pending litigations which will have a material impact on our Company.

Other Confirmations

None of our Group Companies have its equity shares listed on stock exchanges. Further, our Group Companies have not made any public or rights issue (as defined under the SEBI ICDR Regulations) of securities in the three years preceding the date of this Draft Red Herring Prospectus.

DIVIDEND POLICY

The dividend policy of our Company was adopted and approved by our Board in its meeting held on August 19, 2022 ("**Dividend Distribution Policy**"). In terms of the Dividend Distribution Policy, the declaration and payment of dividend will depend on a number of financial, internal, and external factors. Some of the financial factors which affect the declaration of dividend by our Company include consolidated net operating profit after tax, working capital and capital expenditure requirements, likelihood of crystallisation of contingent liabilities, if any, resources required to fund acquisition of business, cash flow required to meet contingencies, outstanding borrowings and losses in the financial year or cumulatively. Some of the internal factors which affect the declaration of dividend by our Company include potential opportunities available for growth, past dividend trends, expectation of major shareholders and prudential requirements for cash conservation. The external factors which affect the declaration of dividend by our Company include prevailing legal requirement, regulatory conditions or restrictions laid down under applicable laws, including tax laws, dividend pay-out ratios of companies in similar industries and economic environment. Accordingly, the Shareholders of our Company may expect dividend only if the Company has surplus funds after providing for all expenses, depreciation, other non-cash charges, and after complying with all other statutory requirements under the various applicable laws. The Board of our Company will also analyse prospective opportunities and threats, to determine whether payment of dividend is viable. Accordingly, our Company may not pay dividend if the Board is of the opinion that it is financially not prudent to do so.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements that our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, please see "*Financial Indebtedness*" and "*Risk Factors – Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.*" on pages 329 and 42, respectively.

No dividend has been paid by the Company on the Equity Shares during the last three Financial Years, the six months period ended September 30, 2023, and from October 1, 2023 till the date of this Draft Red Herring Prospectus.

SECTION V: FINANCIAL INFORMATION

RESTATED CONSOLIDATED FINANCIAL INFORMATION

(*The remainder of this page is intentionally left blank*)

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Akums Drugs and Pharmaceuticals Limited
Plot No 131 to 133
Block-C, Mangolpuri Ind. Area Phase I
Delhi - 110083

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of Akums Drugs and Pharmaceuticals Limited (the **"Company" or "Holding Company"**), its subsidiaries (the Company and its subsidiaries together referred to as the **"Group"**) and its associate, comprising the Restated Consolidated Statement of Assets and Liabilities as at 30 September 2023, 30 September 2022, 31 March 2023, 31 March 2022 and 31 March 2021, the Restated Consolidated Statements of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Statement of Cash Flows for the six months period ended 30 September 2023 and 30 September 2022 and for the years ended 31 March 2023, 31 March 2022 and 31 March 2021, and notes to the restated consolidated financial information, including a summary of the material accounting policies and other explanatory information (collectively, the **"Restated Consolidated Financial Information"**), as approved by the Board of Directors of the Company at their meeting held on 17 January 2024 for the purpose of inclusion in the Draft Red Herring Prospectus (**"DRHP"**) prepared by the Company in connection with its proposed Initial Public Offer of equity shares (**"IPO"**) prepared in terms of the requirements of:

    a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (the **"Act"**);

    b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (**"ICDR Regulations"**); and

    c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (**"ICAI"**), as amended from time to time (the "Guidance Note").

2. The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India, National Stock Exchange of India Limited and BSE Limited in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in note 1.2 to the Restated Consolidated Financial Information. The responsibility of respective Board of Directors of the companies included in the Group includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective Board of Directors are also responsible for identifying and ensuring that the Group complies with the Act, ICDR Regulations and the Guidance Note.

3. We have examined such Restated Consolidated 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 1 November 2023 in connection with the proposed IPO of equity shares of the Company;

    b. The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

    c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and

    d. The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the proposed IPO.

4. These Restated Consolidated Financial Information have been compiled by the management from:

    a. Audited Special Purpose Consolidated Interim Financial Statements of the Company as at and for the six months period ended 30 September 2023 and 30 September 2022, prepared in accordance with Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India which have been approved by the Board of Directors at their meeting held on 17 January 2024; and

    b. Audited Consolidated Financial Statements of the Company as at and for the years ended 31 March 2023, 31 March 2022 and 31 March 2021 prepared in accordance with the Ind AS as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 30 June 2023, 17 June 2022 and 27 September 2021 respectively.

5. For the purpose of our examination, we have relied on:

    a. Auditors' reports issued by us dated 17 January 2024 on the Audited Special Purpose Consolidated Interim Financial Statements of the Company as at and for the six months period ended 30 September 2023 and 30 September 2022 as referred in paragraph 4(a) above; and

    b. Auditors' reports issued by us dated 30 June 2023, 17 June 2022 and 27 September 2021 on the Audited Consolidated Financial Statements of the Company as at and for the years ended 31 March 2023, 31 March 2022 and 31 March 2021 respectively as referred in Paragraph 4(b) above.

6. The audit reports on the consolidated financial statements issued by us referred in paragraph 5 included following matters which did not require any adjustment in the Restated Consolidated Financial Information:

    Emphasis of Matter paragraphs with respect to our audit reports issued by us referred in paragraph 5(a) and (b)

    (i) For the six months period ended 30 September 2022:

    Emphasis of Matter - Basis of Preparation and Restriction on Distribution or Use

    "Without modifying our opinion, we draw attention to note 1.2 to the accompanying Special Purpose Consolidated Interim Financial Statements, which describes the basis of its preparation. The Special Purpose Consolidated Interim Financial Statements have been prepared by the Holding Company's management, solely to enable the management to present comparative financial information while preparing special purpose consolidated interim financial statements for the six-month period ended 30 September 2023, which in turn will be used for the preparation of
    (a) Special Purpose Consolidated Interim Financial Statements for the six-month period ended 30 September 2023,
    (b) Restated Consolidated Financial Information for the six-month periods ended 30 September 2023 and 30 September 2022 and for the years ended 31 March 2023, 31 March 2022 and 31 March 2021,
    which is to be included in the Draft Red Herring Prospectus ('DRHP) which is to be filed by the Company with Securities and Exchange Board of India, National Stock Exchange of India Limited and BSE Limited as per the requirements of Section 26 of Part I of Chapter III of the Act, read with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, as amended from time to time ('ICDR Regulations') in connection with the proposed Initial Public Offer ('IPO') of equity shares of the Holding Company. Therefore, these Special Purpose Consolidated Interim Financial Statements may not be suitable for any other purpose. Our report is issued solely for the aforementioned purpose, and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing."

(ii) For the year ended 31 March 2021:

Emphasis of Matter – Accounting of acquisition under business combination

"We draw attention to note 38 to the consolidated financial statements which describes the implementation of Resolution Plan pursuant to its approval by National Company Law Tribunal and the resultant impact of the same on the consolidated financial statements as at 12 January 2021. Our opinion is not modified in respect of this matter."

(iii) Other Matter paragraphs with respect to our reports on internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, covered under the Act, issued by us referred in paragraph 5(b)

For the year ended 31 March 2023

The adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to ten subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For the year ended 31 March 2022

The adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to thirteen subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For the year ended 31 March 2021

The adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to twelve subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Further, there are observations included in the audit reports of the entities included in the Group, for the years ended 31 March 2023, 31 March 2022 with reference to qualifications in the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, and for the year ended 31 March 2021 with reference to qualifications in the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, which do not require any adjustments in the Restated Consolidated Financial Information, have been disclosed in note 58 of the Restated Consolidated Financial Information.

7. As indicated in our audit reports referred above in paragraph 5(a) and 5(b):

   We did not audit the financial statements of subsidiaries and an associate as mentioned in Annexure 1, whose share of total assets, total revenues, net cash inflows / (outflows) and share of profit/ (loss) in its associate included in the consolidated financial statements, for the relevant periods/years is tabulated below, which have been audited by other auditors as mentioned in Annexure 1 and whose reports have been furnished to us by the Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the reports of the other auditors:

(INR in million)

Particulars	**As at/ for the six months period ended**		**As at/ for the year ended**		
	30 September 2023	**30 September 2022**	**31 March 2023**	**31 March 2022**	**31 March 2021**
Total assets	4,352.27	4,437.09	4,227.66	3,849.92	3,063.64
Total revenues	1,508.17	2,015.13	3,202.73	5,727.61	4,295.92
Net cash inflow/ (outflows)	6.49	(11.77)	785.87	1.05	(32.56)
Share of profit/ (loss) in its associate	Not applicable	(1.70)	(2.03)	2.03	3.47

Our opinions on the Special Purpose Consolidated Interim Financial Statements and Consolidated Financial Statements for the periods / years as referred in paragraph 5, are not modified in respect of these matters.

The other auditors of the subsidiaries and an associate, as mentioned in Annexure 1, have examined the restated financial information and have confirmed that the restated financial information:

(a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the six months period ended 30 September 2022 and years ended 31 March 2023, 31 March 2022 and 31 March 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the six months period ended 30 September 2023;

(b) do not require any adjustments for the matters giving rise to matters mentioned in paragraph 6 above; and

(c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

Further, we did not audit the financial statements of subsidiaries as mentioned in Annexure 1, whose share of total assets, total revenues and net cash inflows / (outflows) included in the consolidated financial statements, for the relevant periods/years is tabulated below, which are unaudited and have been furnished to us by the management of the Company, and our opinion, insofar as it relates to the amounts included in respect of such subsidiaries are based solely on such unaudited financial statements. In our opinion and according to the information and explanation given to us by the management, these financial statements are not material to the Group:

(INR in million)

Particulars	As at/ for the six months period ended #		As at/ for the year ended		
	30 September 2023	**30 September 2022**	**31 March 2023**	**31 March 2022**	**31 March 2021**
Total assets	Not applicable	Not applicable	0.00*	0.20	0.21
Total revenues	Not applicable	Not applicable	0.00*	Nil	0.01
Net cash inflow/ (outflows)	Not applicable	Not applicable	(0.00*)	(0.01)	0.10

*rounded off to Nil

being audited for respective periods mentioned above

Our opinions on the Special Purpose Consolidated Interim Financial Statements and Consolidated Financial Statements for the periods / years as referred in paragraph 5, are not modified in respect of these matters.

8. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the examination report submitted by the other auditors for the respective periods/years, we report that the Restated Consolidated Financial Information:

    a. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the six months period ended 30 September 2022 and years ended 31 March 2023, 31 March 2022 and 31 March 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the six months period ended 30 September 2023;

    b. do not require any adjustments for the matters giving rise to matters mentioned in paragraph 6 above; and

    c. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

9. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the Audited Special Purpose Consolidated Interim Financial Statements and Audited Consolidated Financial Statements mentioned in paragraph 4 above.

10. 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.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with Securities and Exchange Board of India, National Stock Exchange of India Limited and BSE Limited in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Tarun Gupta
Partner
Membership Number: 507892

UDIN: 24507892BKEIRE8279

Place: New Delhi
Date: 17 January 2024

Akums Drugs and Pharmaceuticals Limited
CIN: U24239DL2004PLC125888
Restated Consolidated Statement of Assets and Liabilities
(All amounts in ₹ million unless otherwise stated)

Particulars	Notes	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
ASSETS						
(1) Non-current assets						
(a) Property, plant and equipment	2a	10,014.46	9,571.10	9,631.51	9,320.28	8,134.13
(b) Right-of-use assets	54	1,212.72	804.94	1,263.59	810.59	701.95
(c) Capital work-in-progress	2b	1,291.93	953.62	1,029.93	308.19	170.05
(d) Goodwill	52	20.63	20.63	20.63	20.63	150.40
(e) Other intangible assets	3	57.18	46.56	57.37	53.87	53.45
(f) Intangible assets under development	2c	3.78	704.30	1.63	2.53	-
(g) Financial assets						
(i) Investments	4	1.43	2.16	1.43	3.86	5.30
(ii) Loans	5	-	119.22	-	55.00	-
(iii) Other financial assets	6	380.55	359.31	344.20	394.03	454.98
(h) Non-current tax assets (net)	7	114.75	419.28	122.61	360.43	136.22
(i) Deferred tax assets (net)	22	237.81	297.29	315.17	188.53	147.01
(j) Other non-current assets	8	356.92	597.78	635.61	256.38	141.17
Total non-current assets		**13,692.16**	**13,896.19**	**13,423.68**	**11,774.32**	**10,094.66**
(2) Current assets						
(a) Inventories	9	6,882.66	8,502.35	7,297.95	7,224.48	4,298.59
(b) Financial assets						
(i) Investments	10a	-	-	-	-	190.09
(ii) Trade receivables	10b	11,189.99	9,521.89	8,450.87	8,843.12	5,313.99
(iii) Cash and cash equivalents	11	1,176.30	458.67	516.08	551.39	220.67
(iv) Bank balances other than (iii) above	12	1,288.14	619.03	983.81	477.08	458.01
(v) Loans	13	-	-	73.73	-	80.00
(vi) Other financial assets	14	230.41	273.55	152.30	208.01	144.07
(c) Current-tax assets (net)	15a	114.05	79.16	114.05	-	1.60
(d) Other current assets	15b	1,472.42	1,102.19	1,199.93	1,336.55	867.03
Total current assets		**22,353.97**	**20,556.84**	**18,788.72**	**18,640.63**	**11,574.05**
Assets classified as held for sale	16	-	321.26	452.87	275.53	-
Total assets		**36,046.13**	**34,774.29**	**32,665.27**	**30,690.48**	**21,668.71**
EQUITY AND LIABILITIES						
Equity						
(a) Equity share capital	17	286.13	143.07	286.13	143.07	13.01
(b) Other equity	18	5,317.72	6,758.45	6,885.76	6,076.69	8,835.46
Equity attributable to equity holders of the Parent		5,603.85	6,901.52	7,171.89	6,219.76	8,848.47
(c) Non-controlling interests	38A	78.49	36.81	61.85	31.95	22.88
Total equity		**5,682.34**	**6,938.33**	**7,233.74**	**6,251.71**	**8,871.35**
LIABILITIES						
(1) Non-current liabilities						
(a) Financial liabilities						
(i) Borrowings	19	1,009.96	1,369.32	1,154.96	133.33	11.61
(ii) Lease liabilities	54	708.19	281.51	748.80	304.08	278.67
(iii) Other financial liabilities	20	12,903.78	10,517.71	10,356.82	10,644.88	6,090.43
(b) Provisions	21	289.24	253.42	262.27	239.32	204.44
(c) Deferred tax liabilities (net)	22	390.10	425.62	253.01	392.98	412.69
Total non-current liabilities		**15,301.27**	**12,847.58**	**12,775.86**	**11,714.59**	**6,997.84**
(2) Current liabilities						
(a) Financial liabilities						
(i) Borrowings	23	6,067.55	5,863.20	4,214.77	3,446.20	959.03
(ii) Lease liabilities	54	56.97	72.15	72.41	66.22	50.44
(iii) Trade payables	24					
Total outstanding dues to micro and small enterprises; and		651.40	452.93	442.16	331.87	330.56
Total outstanding dues of creditors other than micro and small enterprises		5,457.29	5,782.94	5,229.23	5,564.79	3,083.58
(iv) Other financial liabilities	25	659.91	611.09	628.10	702.09	427.49
(b) Other current liabilities	26	1,223.53	1,624.32	1,421.95	1,545.77	263.67
(c) Provisions	27	476.73	452.82	459.37	589.24	566.16
(d) Current tax liabilities (net)	28	469.14	128.94	187.68	478.00	118.59
Total current liabilities		**15,062.52**	**14,988.39**	**12,655.67**	**12,724.18**	**5,799.52**
Total equity and liabilities		**36,046.13**	**34,774.29**	**32,665.27**	**30,690.48**	**21,668.71**

The accompanying notes are an integral part of the restated consolidated financial information (Notes 1-59).

This is the restated consolidated statement of
assets and liabilities referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/ N500013

Tarun Gupta
Partner
Membership No: 507892

Place : New Delhi
Date : 17 January 2024

For and on behalf of Board of Directors of
Akums Drugs and Pharmaceuticals Limited

Sanjeev Jain
Director
DIN: 00323433

Sandeep Jain
Director
DIN: 00323476

Sumeet Sood
Chief Financial Officer

Dharamvir Malik
Company Secretary
Mem. No.: FCS 8596

Place : New Delhi
Date : 17 January 2024

Akums Drugs and Pharmaceuticals Limited
CIN: U24239DL2004PLC125888
Restated Consolidated Statement of Profit and Loss
(All amounts in ₹ million unless otherwise stated)

Particulars	Notes	Six months period ended 30 September 2023	Six months period ended 30 September 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from operations	29	21,511.38	18,213.63	36,548.20	36,718.93	27,226.29
Other income	30	148.68	307.73	461.05	226.30	211.56
Total income		**21,660.06**	**18,521.36**	**37,009.25**	**36,945.23**	**27,437.85**
EXPENSES						
Cost of materials consumed		11,830.93	10,968.77	20,280.85	20,385.94	12,837.93
Purchases of stock-in-trade		1,009.37	1,545.86	2,217.88	3,942.07	4,545.81
Change in inventories of finished goods, stock-in-trade and work-in-progress	31	111.95	(779.08)	240.35	(877.42)	(474.63)
Employee benefits expense	32	3,204.26	2,947.18	5,901.33	5,077.58	4,245.50
Finance costs	33	258.00	179.20	462.46	166.55	67.44
Depreciation and amortisation expense	34	601.38	525.23	1,128.09	946.79	698.41
Fair value changes to financial instruments		2,536.46	(263.27)	(439.69)	4,941.74	538.23
Other expenses	35	2,552.78	2,561.16	4,967.98	4,166.21	3,160.02
Total expenses		**22,105.13**	**17,685.05**	**34,759.25**	**38,749.46**	**25,618.71**
(Loss)/ profit before share of (loss)/ profit of an associate, exceptional items and tax		**(445.07)**	**836.31**	**2,250.00**	**(1,804.23)**	**1,819.14**
Share of (loss)/ profit of an associate		-	(1.70)	(2.03)	2.03	3.47
(Loss)/ profit before exceptional items and tax		**(445.07)**	**834.61**	**2,247.97**	**(1,802.20)**	**1,822.61**
Exceptional items	36	271.66	-	745.00	129.77	100.00
(Loss)/ profit before tax		**(716.73)**	**834.61**	**1,502.97**	**(1,931.97)**	**1,722.61**
Tax expense:	48					
Current tax		598.64	204.97	781.30	690.45	552.99
Tax for earlier periods/ years		15.53	18.69	16.09	(53.26)	-
Deferred tax charge/ (reversal)		216.49	(79.90)	(272.59)	(60.42)	(64.73)
Total tax expense		**830.66**	**143.76**	**524.80**	**576.77**	**488.26**
(Loss)/ profit for the year/ period		**(1,547.39)**	**690.85**	**978.17**	**(2,508.74)**	**1,234.35**
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Re-measurement gains (losses) on defined benefit plan		(6.05)	15.74	26.05	(1.69)	(2.49)
Income-tax effect related to items that will not be reclassified to profit and loss		2.04	(3.78)	(5.99)	0.81	1.22
Other comprehensive income, net of tax		**(4.01)**	**11.96**	**20.06**	**(0.88)**	**(1.27)**
Total comprehensive income (comprising of (loss)/ profit for the period/ year and other comprehensive income for the period/ year)		**(1,551.40)**	**702.81**	**998.23**	**(2,509.62)**	**1,233.08**
Total comprehensive income attributable to:						
Owners of the Parent		(1,568.04)	697.95	968.33	(2,526.20)	1,226.42
Non-controlling interests		16.64	4.86	29.90	16.58	6.66
Out of total comprehensive income above, (loss)/ profit for the year/ period attributable to:						
Owners of the Parent		(1,564.17)	686.08	948.55	(2,525.36)	1,227.05
Non-controlling interests		16.78	4.77	29.62	16.62	7.30
Out of total comprehensive income above, other comprehensive income attributable to:						
Owners of the Parent		(3.87)	11.87	19.78	(0.84)	(0.63)
Non-controlling interests		(0.14)	0.09	0.28	(0.04)	(0.64)
Earnings per equity share of ₹ 2/- each	37					
Basic and diluted		**(10.93)**	**4.80**	**6.63**	**(17.65)**	**8.58**

The accompanying notes are an integral part of the restated consolidated financial information (Notes 1-59).

This is the restated consolidated statement
of profit and loss referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/ N500013

For and on behalf of Board of Directors of
Akums Drugs and Pharmaceuticals Limited

Tarun Gupta
Partner
Membership No: 507892

Sanjeev Jain
Director
DIN: 00323433

Sandeep Jain
Director
DIN: 00323476

Place : New Delhi
Date : 17 January 2024

Sumeet Sood
Chief Financial Officer

Dharamvir Malik
Company Secretary
Mem. No.: FCS 8596

Place : New Delhi
Date : 17 January 2024

Akums Drugs and Pharmaceuticals Limited
CIN: U24239DL2004PLC125888
Restated Consolidated Statement of Changes in Equity
(All amounts in ₹ million unless otherwise stated)

a. Equity share capital

Particulars	Amount
As at 1 April 2023	**286.13**
Changes in equity share capital	-
As at 30 September 2023	**286.13**
As at 1 April 2022	**143.07**
Changes in equity share capital	-
As at 30 September 2022	**143.07**
As at 1 April 2020	**13.01**
Changes in equity share capital	-
As at 31 March 2021/ 1 April 2021	**13.01**
Changes in equity share capital (refer note 17.1 for details)	130.06
As at 31 March 2022/ 1 April 2022	**143.07**
Changes in equity share capital (refer note 17.1 for details)	143.06
As at 31 March 2023/ 1 April 2023	**286.13**

b. Other equity

For the six months period ended 30 September 2023 and 30 September 2022

Particulars	Reserves and surplus				Put option reserve	Total other equity attributable to equity holders of the parent	Non-controlling Interests (NCI)	Total
	Capital reserve	Share options outstanding account	Securities premium	Retained earnings				
Balance as at 1 April 2023	**1,029.98**	**-**	**1,271.66**	**6,385.36**	**(1,801.24)**	**6,885.76**	**61.85**	**6,947.61**
Profit/ (loss) for the period	-	-	-	(1,564.17)	-	(1,564.17)	16.78	(1,547.39)
Other comprehensive income for the period, net of tax:								
Re-measurement of defined benefit plans	-	-	-	(3.87)	-	(3.87)	(0.14)	(4.01)
Total comprehensive income for the period	**1,029.98**	**-**	**1,271.66**	**4,817.32**	**(1,801.24)**	**5,317.72**	**78.49**	**5,396.21**
Employee stock options granted during the period	-	6.91	-	-	-	6.91	-	6.91
Employee stock options cancelled during the period	-	-6.91	-	-	-	(6.91)	-	(6.91)
Balance as at 30 September 2023	**1,029.98**	**-**	**1,271.66**	**4,817.32**	**(1,801.24)**	**5,317.72**	**78.49**	**5,396.21**
Balance as at 1 April 2022	**1,029.98**	**-**	**1,271.66**	**5,576.29**	**(1,801.24)**	**6,076.69**	**31.95**	**6,108.64**
Profit for the period	-	-	-	686.08	-	686.08	4.77	690.85
Other comprehensive income for the period, net of tax								
Re-measurement of defined benefit plans	-	-	-	11.87	-	11.87	0.09	11.96
Total comprehensive income for the period	**1,029.98**	**-**	**1,271.66**	**6,274.25**	**(1,801.24)**	**6,774.65**	**36.81**	**6,811.45**
Adjustment on account of further acquisition (refer note 39)	-	-	-	(16.20)	-	(16.20)	-	(16.20)
Balance as at 30 September 2022	**1,029.98**	**-**	**1,271.66**	**6,258.05**	**(1,801.24)**	**6,758.45**	**36.81**	**6,795.25**

(This space has been intentionally left blank)

Akums Drugs and Pharmaceuticals Limited
CIN: U24239DL2004PLC125888
Restated Consolidated Statement of Changes in Equity
(All amounts in ₹ million unless otherwise stated)

For the years ended 31 March 2023, 31 March 2022 and 31 March 2021

Particulars	Reserves and surplus			Put option reserve	Total other equity attributable to equity holders of the parent	Non-controlling Interests (NCI)	Total
	Capital reserve	Securities premium	Retained earnings				
Balance as at 1 April 2020	**22.03**	**1,282.91**	**7,707.27**	**(1,801.24)**	**7,210.97**	**(15.14)**	**7,195.83**
Profit for the year	-	-	1,227.06	-	1,227.06	7.30	1,234.36
Other comprehensive income for the year, net of tax							
Re-measurement of defined benefit plans	-	-	(0.63)	-	(0.63)	(0.64)	(1.27)
Total comprehensive income for the year	**22.03**	**1,282.91**	**8,933.70**	**(1,801.24)**	**8,437.40**	**(8.48)**	**8,428.92**
Addition on account of business combination (refer note 39)	1,007.95	-	-	-	1,007.95	31.36	1,039.31
Adjustments on account of transaction with holders of NCI (refer note 39)	-	-	(609.89)	-	(609.89)	-	(609.89)
Balance as at 31 March 2021/ 1 April 2021	**1,029.98**	**1,282.91**	**8,323.81**	**(1,801.24)**	**8,835.46**	**22.88**	**8,858.34**
Loss for the year	-	-	(2,525.36)	-	(2,525.36)	16.62	(2,508.74)
Other comprehensive income for the year, net of tax							
Re-measurement of defined benefit plans	-	-	(0.84)	-	(0.84)	(0.04)	(0.88)
Total comprehensive income for the year	**1,029.98**	**1,282.91**	**5,797.61**	**(1,801.24)**	**6,309.26**	**39.46**	**6,348.72**
Bonus shares issued during the year (refer note 17)	-	(11.25)	(118.81)	-	(130.06)	-	(130.06)
Adjustment on account of further acquisition (refer note 39)		-	(102.51)	-	(102.51)	(7.51)	(110.02)
Balance as at 31 March 2022 / 1 April 2022	**1,029.98**	**1,271.66**	**5,576.29**	**(1,801.24)**	**6,076.69**	**31.95**	**6,108.64**
Profit for the year	-	-	948.55	-	948.55	29.62	978.17
Other comprehensive income for the year, net of tax							
Re-measurement of defined benefit plans	-	-	19.78	-	19.78	0.28	20.06
Total comprehensive income for the year	**1,029.98**	**1,271.66**	**6,544.62**	**(1,801.24)**	**7,045.02**	**61.85**	**7,106.87**
Adjustment on account of further acquisition (refer note 39)	-	-	(16.20)	-	(16.20)	-	(16.20)
Bonus shares issued during the year (refer note 17)	-	-	(143.06)	-	(143.06)	-	(143.06)
Balance as at 31 March 2023	**1,029.98**	**1,271.66**	**6,385.36**	**(1,801.24)**	**6,885.76**	**61.85**	**6,947.61**

The accompanying notes are an integral part of the restated consolidated financial information (Notes 1-59).

This is the restated consolidated statement of changes in equity referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/ N500013

Tarun Gupta
Partner
Membership No: 507892

Place : New Delhi
Date : 17 January 2024

For and on behalf of Board of Directors of
Akums Drugs and Pharmaceuticals Limited

Sanjeev Jain
Director
DIN: 00323433

Sandeep Jain
Director
DIN: 00323476

Sumeet Sood
Chief Financial Officer

Dharamvir Malik
Company Secretary
Mem. No.: FCS 8596

Place : New Delhi
Date : 17 January 2024

Akums Drugs and Pharmaceuticals Limited
CIN: U24239DL2004PLC125888
Restated Consolidated Statement of Cash Flows
(All amounts in ₹ million unless otherwise stated)

Particulars		Six months period ended 30 September 2023	Six months period ended 30 September 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
A. Cash flows from operating activities						
Net (loss)/ profit before tax		**(716.73)**	**834.61**	**1,502.97**	**(1,931.97)**	**1,722.61**
Add/ less: non-cash adjustments						
Depreciation and amortisation		601.38	525.23	1,128.09	946.79	698.41
Bad debts		5.13	11.95	24.58	67.74	52.83
Provision for expected credit loss on trade receivable		54.60	(17.00)	18.56	120.88	87.11
Liabilities no longer required, written back		(13.32)	(177.94)	(216.81)	(21.00)	(32.16)
Loss/ (profit) on sale of property, plant & equipment and intangible assets		0.47	5.24	(45.75)	20.66	4.04
Impairment of goodwill		-	-	-	129.77	100.00
Impairment of assets held for sale		-	-	47.50	-	-
Impairment of intangible assets under development		-	-	697.50	-	-
Gain on sale of assets held for sale		(2.48)	-	-	-	-
Share of loss/ (profit) from associate		-	1.70	2.03	(2.03)	(3.47)
Finance costs		258.00	179.20	462.46	166.55	67.44
Losses incurred due to floods		274.14	-	-	-	-
Profit on sale of current investments		-	-	-	-	(0.77)
Profit on reassessment of right-of-use assets		(1.19)	-	(22.36)	(10.55)	-
Fair value charges on financial instrument		2,536.46	(263.27)	(439.69)	4,941.74	538.23
Interest income		(51.55)	(29.86)	(78.80)	(46.31)	(61.44)
Operating profit before working capital changes		**2,944.91**	**1,069.86**	**3,080.28**	**4,382.27**	**3,172.83**
Adjustments for working capital changes:						
Inventories		235.62	(1,277.87)	(73.47)	(2,925.89)	(315.41)
Trade receivables		(2,799.53)	(673.72)	349.11	(3,717.75)	361.48
Other assets		(36.29)	(243.48)	(183.14)	(568.71)	2.49
Trade payables		445.44	341.93	(183.69)	2,505.09	(819.04)
Other financial liabilities		105.50	58.01	2.41	(146.65)	(552.12)
Provisions		38.28	68.65	94.36	56.27	(37.66)
Other liabilities		26.68	20.56	(348.92)	1,282.09	(50.89)
Cash flows from operations (gross)		**960.61**	**(636.06)**	**2,736.94**	**866.72**	**1,761.68**
Less: direct taxes paid		(328.04)	(712.74)	(970.63)	(548.18)	(455.54)
Net cash flows generated from/ (used in) operating activities	**(A)**	**632.57**	**(1,348.80)**	**1,766.31**	**318.54**	**1,306.14**
B. Cash flows from investing activities						
Purchase of property, plant and equipment & intangible assets (including capital work-in-progress, capital advances and payable towards property, plant and equipment)		(1,383.99)	(2,126.19)	(3,287.93)	(2,575.82)	(828.10)
Proceeds from sale of property, plant and equipment		247.65	41.71	421.47	19.24	9.38
Withdrawal from interest in partnership firm		-	-	0.40	3.47	5.24
(Investment in)/ proceeds from deposits having original maturity of more than 3 months (net		(322.49)	(82.29)	(449.93)	53.51	380.24
Consideration paid to NCI towards further acquisition of interest in subsidiaries		-	(16.20)	(16.20)	(110.02)	(605.00)
Proceeds from/ (purchase of) sale of current investments (net)		-	-	-	190.09	(130.88)
Advance received against assets held for sale		-	58.00	225.10	-	-
Loans given		-	(71.72)	(73.73)	-	-
Loans repaid		73.73	7.50	55.00	25.00	8.50
Interest received		51.55	29.86	78.80	46.31	66.77
Net cash flows used in investing activities	**(B)**	**(1,333.55)**	**(2,159.33)**	**(3,047.02)**	**(2,348.22)**	**(1,093.85)**
C. Cash flows from financing activities						
Proceeds from non-current borrowings		103.42	1,401.79	1,401.60	200.19	11.61
Repayments of non-current borrowings		(131.65)	(47.16)	(107.58)	(111.19)	(350.24)
Proceeds from/ (repayment of) current borrowings (net)		1,698.28	2,293.34	485.79	2,524.23	(396.55)
Payment of lease liabilities		(89.99)	(71.60)	(129.98)	(163.73)	(129.26)
Interest paid		(218.86)	(160.96)	(404.43)	(89.10)	(50.18)
Net cash flows generated from/ (used in) financing activities	**(C)**	**1,361.20**	**3,415.41**	**1,245.40**	**2,360.40**	**(914.62)**
Net increase/ (decrease) in cash and cash equivalents	**(D= A+B+C)**	**660.22**	**(92.72)**	**(35.31)**	**330.72**	**(702.33)**
Add: acquired under business combination (refer note 39)	**(E)**	-	-	-	-	5.11
Cash and cash equivalents as at the beginning of the period/ year	**(F)**	516.08	551.39	551.39	220.67	917.89
Cash and cash equivalents as at the end of the period/ year	**(D+E+F)**	**1,176.30**	**458.67**	**516.08**	**551.39**	**220.67**

(This space has been intentionally left blank)

Akums Drugs and Pharmaceuticals Limited
CIN: U24239DL2004PLC125888
Restated Consolidated Statement of Cash Flows
(All amounts in ₹ million unless otherwise stated)

Components of cash and cash equivalents are as below:

	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Balance with banks:					
- in current accounts	1,165.47	434.83	513.54	479.34	190.50
- in deposit accounts with original maturity of less than three months	5.95	20.00	-	68.00	24.86
Cash on hand	4.88	3.84	2.54	4.05	5.31
	1,176.30	**458.67**	**516.08**	**551.39**	**220.67**

Note 1: The above restated consolidated statement of cash flows has been prepared under the 'Indirect method' as set out in Ind AS 7, 'Statement of cash flows'.
Note 2: Disclosures as required in terms of Ind AS 7 'Statement of cash flows' related to the change in financial liabilities arising from financing activity is as below:

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes pursuant to Ind AS 7:

For the six months period ended 30 September 2023 and 30 September 2022

Particulars	Non-current borrowings*	Current borrowings (including book overdraft)	Lease liabilities	Put option liability	Total
Balance as at 1 April 2023	**1,494.21**	**3,913.25**	**821.21**	**10,076.05**	**16,304.72**
Cash flows					
Proceeds/ (repayments) (net)	(28.23)	1,698.28	(89.99)	-	1,580.06
Non cash changes					
Interest expense on lease liabilities	-	-	35.88	-	35.88
Fair value changes to financial instrument	-	-	-	2,536.46	2,536.46
Deletion/ modification within lease agreements	-	-	(27.55)	-	(27.55)
New leases	-	-	25.61	-	25.61
Balance as at 30 September 2023	**1,465.98**	**5,611.53**	**765.16**	**12,612.51**	**20,455.18**
Balance as at 1 April 2022					
Cash flows	200.19	3,427.48	370.30	10,515.74	14,513.71
Proceeds/ (repayments) (net)	1,354.63	2,293.34	(71.60)	-	3,576.37
Non cash changes					
Interest expense on lease liabilities	-	-	16.21	-	16.21
Fair value changes to financial instrument	-	-	-	(263.28)	(263.28)
Deletion/ modification within lease agreements	-	-	(40.82)	-	(40.82)
New leases	-	-	79.57	-	79.57
Balance as at 30 September 2022	**1,554.82**	**5,720.82**	**353.66**	**10,252.46**	**17,881.77**

For the years ended 31 March 2023, 31 March 2022 and 31 March 2021

Particulars	Non-current borrowings*	Current borrowings (including book overdraft)	Lease liabilities	Put option liability	Total
Balance as at 1 April 2020	449.82	1,299.78	183.82	5,035.77	**6,969.19**
Cash flows					
Repayments (net)	(338.63)	(396.55)	(129.26)	-	(864.44)
Non cash changes					
Interest expense on lease liabilities	-	-	17.25	-	17.25
Fair value changes to financial instrument	-	-	-	538.23	538.23
Modification within lease agreements	-	-	12.21	-	12.21
New leases	-	-	245.10	-	245.10
Balance as at 31 March 2021/ 1 April 2021	**111.19**	**903.23**	**329.12**	**5,574.00**	**6,917.54**
Cash flows					
Proceeds/ (repayments) (net)	89.00	2,524.23	(163.73)	-	2,449.50
Non cash changes					
Interest expense on lease liabilities	-	-	29.68	-	29.68
Fair value changes to financial instrument	-	-	-	4,941.74	4,941.74
Modification within lease agreements	-	-	(21.10)	-	(21.10)
New leases	-	-	196.34	-	196.34
Balance as at 31 March 2022/ 1 April 2022	**200.19**	**3,427.46**	**370.30**	**10,515.74**	**14,513.70**
Cash flows					
Proceeds/ (repayments) (net)	1,294.02	485.79	(129.98)	-	1,649.84
Non cash changes					
Interest expense on lease liabilities	-	-	51.23	-	51.23
Fair value changes to financial instrument	-	-	-	(439.69)	(439.69)
Modification within lease agreements	-	-	(81.32)	-	(81.32)
New leases	-	-	610.98	-	610.98
Balance as at 31 March 2023	**1,494.21**	**3,913.25**	**821.21**	**10,076.05**	**16,304.74**

* including current maturities of non current borrowings clubbed under current borrowings (refer note 23).

The accompanying notes are an integral part of the restated consolidated financial information (Notes 1-59).

This is the restated consolidated statement of cash flows
referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/ N500013

For and on behalf of Board of Directors of
Akums Drugs and Pharmaceuticals Limited

Tarun Gupta
Partner
Membership No: 507892

Sanjeev Jain
Director
DIN: 00323433

Sandeep Jain
Director
DIN: 00323476

Sumeet Sood
Chief Financial Officer

Dharamvir Malik
Company Secretary
Mem. No.: FCS 8596

Place : New Delhi
Date : 17 January 2024

Place : New Delhi
Date : 17 January 2024

1 Group overview and summary of material accounting policies

1.1 Corporate information

Akums Drugs and Pharmaceuticals Limited (the 'Holding Company' or 'Parent Company' or 'Company' or 'Parent') is the a public limited Company domiciled in India. Its registered office is 304, Mohan Place, LSC C Block, New Delhi - 110034. The Holding Company was incorporated on 19 April 2004 under the provisions of the erstwhile Companies Act, 1956.

The Holding Company, together with its subsidiaries (hereinafter, the 'Group') and its erstwhile associate, is primarily engaged in manufacturing of pharmaceutical products, manufacturing of active pharmaceutical ingredients (hereinafter referred to as "API) and sale of branded and generic formulations . Refer note 38A for entities considered in consolidation.

The Holding Company in its board meeting held on 26 October 2023 has approved the proposed Initial Public Offer of equity shares (‘IPO’) of the Holding Company. Refer note 57.

Material accounting policies

1.2 Basis of preparation

The Restated Consolidated Financial Information comprise the Restated Consolidated Statement of Assets and Liabilities as at 30 September 2023, 30 September 2022, 31 March 2023, 31 March 2022 and 31 March 2021, Restated Consolidated Statement of Profit and Loss (including other comprehensive income), Restated Consolidated Statement of Changes in Equity and Restated Consolidated Statement of Cash Flows for the six-month periods ended 30 September 2023 and 30 September 2022, and for the years ended 31 March 2023, 31 March 2022 and 31 March 2021 and the Notes, comprising material accounting policy information and other explanatory information (hereinafter referred to as ‘Restated Consolidated Financial Information’).

The Restated Consolidated Financial Information have been approved by the Board of Directors of the Holding Company at their meeting held on 17 January 2024 and has been specifically prepared for inclusion in the Draft Red Herring Prospectus ('DRHP') to be filed by the Holding Company with the Securities and Exchange Board of India (‘SEBI’) in connection with the proposed Initial Public Offer of equity shares (‘IPO’) of the Holding Company (referred to as the ‘Issue’). The Restated Consolidated Financial Information has been prepared by the management of the Holding Company to comply in all material respects with the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the ‘Act’) as amended from time to time;
b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended to date (‘SEBI ICDR Regulations’); and
c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”).

The Restated Consolidated Financial Information has been compiled by the management from:
a) Audited Special Pupose Consolidated Interim Financial Statements of the Group as at and for the six months period ended 30 September 2023 and 30 September 2022, prepared in accordance with Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under section 133 of the Act and other accounting principles generally accepted in India which have been approved by the Board of Directors at their meeting held on 17 January 2024; and
b) Audited Consolidated Financial Statements of the Group as at and for the years ended 31 March 2023, 31 March 2022 and 31 March 2021 prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 30 June 2023, 17 June 2022 and 27 September 2021 respectively.

The Restated Consolidated Financial Information have been prepared so as to contain information / disclosures and incorporating adjustments set out below in accordance with the SEBI ICDR Regulations:
a) Adjustments to the profits or losses of the earlier periods/ years and of the period/ year in which the change in the accounting policy has taken place is recomputed to reflect what the profits or losses of those periods/ years would have been if a uniform accounting policy was followed in each of these periods/ years, if any;
b) Adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the Special Purspose Consolidated Interim Financial Statements of the Group as at and for the period ended 30 September 2023 and the requirements of the SEBI ICDR Regulations, if any; and
c) The resultant impact of tax due to the aforesaid adjustments, if any.

The Restated Consolidated Financial Information have been prepared on accrual and going concern basis. The accounting policies have been consistently applied by the Holding Company in preparation of the Restated Consolidated Financial Information and are consistent with those adopted in the preparation of the Special Purpose Consolidated Interim Financial Statements as at and for the six months period ended 30 September 2023.

The Restated Consolidated Financial Information has been prepared under the historical cost convention and amortised cost except for certain financial assets and liabilities which are measured at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group presents assets and liabilities in the Restated Consolidated Financial Information based on current/ non-current classification. An asset is treated as current if it satisfies any of the following conditions:
- expected to be realised in, or is intended for sale or consumption in the normal operating cycle;
- held primarily for the purpose of being traded;
- expected to be realised within twelve months after reporting date; or
- 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

A liability is treated as current if it satisfies any of the following conditions:
- expected to be settled in the normal operating cycle;
- held primarily for the purpose of being traded;
- due to be settled within twelve months after reporting date; or
- there is no unconditional right to defer the settlement of the liability for atleast twelve months after the reporting period.

All other assets and liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and its realistion in cash and cash equivalents. The Group has identified twelve months as its operating cycle.
The restated consolidated summary statements are presented in Indian Rupees "INR" or "₹" and all values are stated as INR or ₹ million rounded off to the nearest two decimals, except when otherwise indicated.

1.3 Basis of consolidation

The Restated Consolidated Financial Information comprise the financial statements of the Holding Company, its subsidiaries and its erstwhile associate. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
(a) The contractual arrangement with the other vote holders of the investee;
(b) The rights arising from other contractual arrangements;
(c) The Group's voting rights and potential voting rights; and
(d) The size of the Group's Holding of voting rights relative to the size and dispersion of the Holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period/ year are included in the Restated Consolidated Financial Information from the date the Group gains control until the date the Group ceases to control the subsidiary.

Restated Consolidated Financial Information is prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Restated Consolidated Financial Information for like transactions and events in similar circumstances, appropriate adjustments are made to that member's financial statements in preparing the Restated Consolidated Financial Information to ensure conformity with the Group's accounting policies.

An associate is an entity over which the Group has significant influence, i.e., the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

The financial statements of all entities included in the Restated Consolidated Financial Information are drawn up to same reporting dates as that of the Holding Company.

The following consolidation procedures are adopted:

Subsidiaries:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Restated Consolidated Financial Information at the acquisition date;

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill; and

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Ind AS 12 'Income Taxes' applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.
The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The Restated Consoliated Statement of Profit and Loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the Restated Consolidated Statement of Changes in Equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate or equals or exceeds its interest in the associate (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.
The aggregate of the Group's share of profit or loss of an associate is shown on the face of the Restated Consolidated Statement of Profit and Loss.
The financial statements of the associate are prepared for the same reporting periods as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

(This space has been intentionally left blank)

Business combinations and goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 'Income Taxes' and Ind AS 19 'Employee Benefits' respectively. When a liability assumed is recognised at the acquisition date but the related costs are not deducted in determining taxable profits until a later period, a deductible temporary difference arises which results in a deferred tax asset. A deferred tax asset also arises when the fair value of an identifiable asset acquired is less than its tax base.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is either recognised as profit or loss, or other comprehensive income, as appropriate.
Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 'Financial Instruments' ("Ind AS 109"), is measured at fair value with changes in fair value recognised in Restated Consolidated Statement of Profit and Loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in other comprehensive income and accumulated in equity as capital reserve.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognised in the Restated Consolidated Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.
Where goodwill has been allocated to a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Business combinations involving entities that are controlled by the Group are accounted for using the 'pooling of interests' method as follows:
- The assets and liabilities of the combining entities are reflected at their carrying amounts;
- Except for adjustments made to harmonise accounting policies, no adjustments are ade to reflect fair values, or recognise any new assets or liabilities;
- The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve;
- The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee; and
- The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

(This space has been intentionally left blank)

1.4 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a. In the principal market for the asset or liability, or

b. In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial results are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the Restated Consolidated Financial Information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.5 Revenue recognition

The five step model of Ind AS 115 - 'Revenue from Contracts from Customers' is used to determine whether revenue should be recognised at a point in time or over time, and at what amount is as below:

• Step 1: Identify the contract with the customer
• Step 2: Identify the performance obligations in the contract
• Step 3: Determine the transaction price
• Step 4: Allocate the transaction price to the performance obligations
• Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue from sale of goods is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products and which coincides with the dispatch of goods.

Revenue from services is recognized in accordance with the terms of contract when the services are rendered and the related costs are incurred.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes goods and service tax (GST) collected from customers, since GST not received by the Group on its own account. Rather, it is collected tax on value added to the commodity/services by the seller, on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Accordingly, it is excluded from revenue. Revenue from the sale of goods is net of returns.

The Group accounts for sales returns accrual by recording an allowance for sales returns concurrent with the recognition of revenue at the time of a product sale. This allowance is based on the Group's estimate of expected sales returns. The Group deals in various products and operates in various markets. Accordingly, the estimate of sales returns is determined primarily by the Group's historical experience in the markets in which the Group operates. With respect to established products, the Group considers its historical experience of sales returns, levels of inventory in the distribution channel, estimated shelf life, product discontinuances, price changes of competitive products, and the introduction of competitive new products, to the extent each of these factors impact the Group's business and markets. The Group recognises an asset i.e., Right to recover products from customer (included in other current assets) for the products expected to be returned. The Group initially measures this asset at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. Along with remeasuring the refund liability at the end of each reporting period, the Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

1.6 Other income

Other income is comprised primarily of interest income, exchange gain/loss on translation of monetary assets and liabilities etc.

Interest

Interest income is recognised as and when due on the time proportion basis by using effective interest method ('EIR'). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial assets. Interest income is included under the head 'other income'.

(This space has been intentionally left blank)

1.7 Inventories

Inventories include raw material, stores and spares, finished goods, work in progress, stock-in-trade and packing material .

Inventories are stated at lower of cost or net realisable value. The cost in respect of the various items of inventory is computed as under:

(i) Raw materials and packing materials are valued at lower of cost or net realisable value. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. The cost includes direct expenses and is determined on the basis of weighted average method.

(ii) Stores and spares - at cost or net realisable value, whichever is less. Cost is computed on weighted average basis.

(iii) Work in progress - at estimated cost. The cost includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads as applicable and other costs incurred in bringing the inventories to their present location and condition.

(iv) Finished goods - at estimated cost or net realisable value, whichever is less. The cost includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads as applicable and other costs incurred in bringing the inventories to their present location and condition.

(v) Stock-in-trade - at cost or net realisable value, whichever is less. Cost includes cost of purchase, other costs incurred in bringing the inventories to their present location and condition and taxes which are not eligible for set off. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses. Provision for expired stock and slow moving inventory, if required is made based on management's best estimates of net realisable value of such inventories.

1.8 Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises the purchase price and any attributable costs of bringing the asset to its working condition for its intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Group. All other repair and maintenance costs are recognised in the Restated Consolidated Statement of Profit and Loss as incurred.

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the straight line method. The following useful life of assets has been taken by the Group:

Asset class	**Useful lives**
Buildings	30 years
Plant and equipments	15 years
Furniture and fittings	10 years
Vehicles	8 to 10 years
Office equipments	5 years
Computers	3/6 years
Research and development laboratory equipment	10 years
Electrical installation	10 years

Leasehold improvements are amortised over the period of the lease or the useful life of the asset, whichever is lower.

The residual values, useful lives and method of depreciation are reviewed at each reporting period end and adjusted prospectively, if appropriate.

Where, during any period/ year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'capital work-in-progress'.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Restated Consolidated Statement of Profit and Loss when the asset is derecognised.

1.9 Intangible assets

Recognition and initial measurement

Intangible assets (including Brands/ Trademarks) that are acquired are recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of assets can be measured reliably. The intangible assets are recorded at cost of acquisition including incidental costs related to acquisition and installation and are carried at cost less accumulated amortisation and impairment losses, if any.

Subsequent measurement (amortisation)

All intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The cost thereof is amortised over a period of 4-5 years. The amortisation period and the amortisation method for intangible assets are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

(This space has been intentionally left blank)

De-recognition

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Restated Consolidated Statement of Profit and Loss when the asset is derecognised.

1.10 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised, if any. All other borrowing costs are expensed to the Restated Consolidated Statement of Profit and Loss in the period/ year in which they occur.

1.11 Employee benefits

The Group provides post-employment benefits through various defined contribution and defined benefit plans:

Defined contribution plans:

The Group's contribution to provident fund and employee state insurance fund is considered as defined contribution plan and is charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees. The Group has no legal or constructive obligation to pay contribution in addition to its fixed contribution.

Defined benefit plans - unfunded

The Group operates a gratuity plan wherein every employee is entitled to the benefit. Gratuity is payable to all eligible employees (who have completed 5 years or more of service) of the group on retirement, separation, death or permanent disablement, in terms of the provisions of the Payments of Gratuity Act, 1972.

Gratuity is post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in the restated consolidated financial information in respect of gratuity is the present value of the defined benefit obligation at the reporting date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated at or near the reporting date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the restated consolidated profit and loss under other comprehensive income in the year in which such gains or losses are determined.

Other non-current employee benefits - compensated absences

Liability in respect of compensated absences becoming due or expected to be availed more than one year after the reporting date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the Resated Consolidated Statement of Profit and Loss in the period/ year in which such gains or losses are determined.

Current employee benefits

All employee benefits payable wholly within twelve months of rendering services (such as, salaries, wages, short-term compensated absences, performance incentives, expected cost of bonus, ex-gratia, etc.) are classified as current employee benefits. Expense in respect of current employee benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

Equity settled share based payments

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Restated Consolidated Statement of Profit and Loss. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

1.12 Foreign currency transactions and translations

The Restated Consolidated Financial Information are presented in ₹, which is also the Parent Company's functional currency. Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.
Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on restatement of the Group's monetary items at rates different from those at which they were initially recorded during the period/ year, or reported in previous periods/ years, are recognised as income or as expenses in the period/ year in which they arise.

(This space has been intentionally left blank)

1.13 Government grants

Grants from the Government are recognised when there is reasonable assurance that all underlying conditions will be complied with and that the grant will be received.

When loans or similar assistance are provided by Government or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant and is recognised under 'other operating revenue'.

Grants related to depreciable assets are treated as deferred income which is recognised in the Restated Consolidated Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset. Such allocation to income is usually made over the periods and in the proportions in which depreciation on related assets is charged.

Grants related to income are recognised as income on a systematic basis in the Restated Consolidated Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate and are presented as 'other income'.

1.14 Taxes

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current and deferred tax.

Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 and respective local jurisdictions of members of the Group.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

The Group's ability to recover the deferred tax assets is assessed by the management at the close of each reporting period which depends upon the forecasts of the future results and taxable profits that Group expects to earn within the period by which such brought forward losses may be adjusted against the taxable profits as governed by the Income-tax Act, 1961. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternate Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence that the relevant members of the Group will pay normal income tax during the specified period. Such asset is reviewed at the close of each reporting period end and the adjusted based on circumstances then prevailing.

Deferred tax assets are recognised on the unrealised profit for all the inter-company sale/ purchase eliminations of property, plant and equipment and inventories.

Deferred tax on business combination when a liability assumed is recognised at the acquisition date but the related costs are not deducted in determining taxable profits until a later period, a deductible temporary difference arises which results in a deferred tax asset. a deferred tax asset also arises when the fair value of an identifiable asset acquired is less than its tax base. In both cases, the resulting deferred tax asset affects goodwill.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(This space has been intentionally left blank)

1.15 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group operates in various segments and relevant disclosure requirements as per Ind AS 108 "Operating Segments" have been disclosed by the Group under note no 50.

The board of directors of the Holding Company has been identified as being the chief operating decision maker by the management of the Group.

1.16 Financial instruments

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.
If the Group determines that the fair value at initial recognition differs from the transaction price, the Group accounts for that instrument at that date as follows:

- at the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets. The Group recognises the difference between the fair value at initial recognition and the transaction price as a gain or loss.

- in all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Group recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent measurement of financial assets and financial liabilities is described below.

Non-derivative financial assets

Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

(i) Financial assets at amortised cost – a financial instrument is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

(ii) Financial assets at fair value

Investments in equity instruments – All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at fair value through profit and loss ('FVTPL"). For all other equity instruments, the Group decides to classify the same either as at fair value through other comprehensive income ("FVOCI") or FVTPL. The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a Group of similar financial assets) are derecognised from the Restated Consolidated Statement of Assets and Liabilities when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

Non-derivative financial liabilities

Initial recognition

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Restated Consolidated Statement of Profit and Loss.

Subsequent measurement

After initial recognition, the financial liabilities are subsequently measured at amortised cost using the effective interest rate ("EIR") method.

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

De-recognition of financial liabilities

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

Offsetting of financial instruments

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

1.17 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the restated consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

1.18 Impairment of financial assets

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a Group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

In accordance with Ind-AS 109, the Group applies expected credit loss ("ECL") model for measurement and recognition of impairment loss for financial assets carried at amortised cost.

ECL is the weighted average of difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Group is required to consider –

a. All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.

b. Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

The Group assesses impairment based on expected credit losses (ECL) model for measurement and recognition of impairment loss, the calculation of which is based on historical data, on the financial assets that are trade receivables or contract revenue receivables and all lease receivables.

The Group writes off trade receivables after it is established beyond doubt that the account is uncollectible. Financial assets that are written-off are still subject to enforcement activity by the Group.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to twelve-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

1.19 Impairment of non-financial assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the Group at which management monitors goodwill

Cash-generating units to which goodwill and intangible asset that has an indefinite useful life or is not yet available for use has been allocated (determined by the Group's management as equivalent to its operating segments) are tested for impairment at least annually.

At each reporting date, the Group assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the Restated Consolidated Statement of Profit and Loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed which is the higher of fair value less costs of disposal and value-in-use and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. Impairment losses previously recognised are accordingly reversed in the Restated Consolidated Statement of Profit and Loss.

To determine value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future re-organisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessment of the time value of money and asset-specific risk factors.

1.20 Provisions, contingent liabilities and contingent assets

Provisions are recognised only when there is a present obligation, as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When provisions are discounted, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Group; or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

1.21 Earnings per share

Basic earnings/ (loss) 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 period/ year. The weighted average number of equity shares outstanding during the period/ year is adjusted for events, other than conversion of potential equity shares, that have changed the number of equity shares outstanding without a corresponding change in resources.

For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period/ year are adjusted for the effects of all dilutive potential equity shares.

1.22 Restated consolidated statement of cash flows

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated. Cash and cash equivalents for the purposes of restated consolidated statement of cash flows comprise cash at bank and on hand, and bank deposit with banks where original maturity is three months or less.

1.23 Leases

The Group as a lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated amortisation and impairment losses.

Right-of-use assets are amortised from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment as to whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Restated Consolidated Statement of Assets and Liabilities and lease payments have been classified as financing cash flows.

1.24 Material accounting judgments, estimates and assumptions

The preparation of Restated Consolidated Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected .

In particular, the Group has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the Restated Consolidated Financial Information. Changes in estimates are accounted for prospectively.

(i) Judgements

Judgements In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the Restated Consolidated Financial Information:

(a) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

b) Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

(This space has been intentionally left blank)

(ii) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period/ year, are described below.

The Group bases its assumptions and estimates on parameters available when the Restated Consolidated FInancial Information was prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Useful lives of property, plant and equipment/ intangible assets: The Group reviews its estimate of the useful lives of tangible/intangible assets at each reporting date, based on the expected utility of the assets.

(b) Employee benefits: The cost of the employee benefit and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. an actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates.
and future pension increases. In view of the complexities involved in the valuation and its long-term nature, employee benefit is highly sensitive to changes in these assumptions. all assumptions are reviewed at each reporting date.

(c) Inventories: The Group estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

(d) Business combinations: The Group uses valuation techniques when determining the fair values of certain assets and liabilities acquired in a business combination.

(e) Fair value measurement of financial instruments: When the fair values of financial assets and financial liabilities recorded in the statement of assets and liabilities cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported assumptions about these factors which could affect the reported fair value of financial instruments.

(f) Impairment of goodwill: The assessment of goodwill value for impairment purposes is based on estimates of future cash flows.

1.25 Operating expenses

Operating expenses are recognised in the Restated Consolidated Statement of Profit and Loss upon utilisation of the service or as incurred.

1.26 Share issue expenses

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Restated Consolidated Statement of Profit and Loss.

1.27 Assets held for sale

The Group classifies asset as held for sale if their carrying amount will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale, if the Management expects to complete the sale within one year from the date of classification. Assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell.

1.28 Adoption of new accounting principles

- Ind AS 12 Income Taxes: The amendments clarified that lease transactions give rise to equal and offsetting temporary differences and financial statements should reflect the future tax impacts of these transactions through recognizing deferred tax assets/liabilities on gross basis.
- Ind AS 1 Presentation of Financial Statements: The amendments require to disclose 'material accounting policies' instead of 'significant accounting policies' and related guidance to determine whether the policy is material or not.
- Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of accounting estimates have now been included in the standard enabling distinction between change in accounting estimates from change in accounting policies.

The Group has adopted these amendments effective 1 April 2023, and the adoption did not have any material impact on the Restated Consolidated Financial Information.

1.29 Standards issued but not yet effective

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There are no such recently issued standards or amendments to the existing standards for which the impact on the Restated Consolidated Financial Information is required to be disclosed.

(This space has been intentionally left blank)

Akums Drugs and Pharmaceuticals Limited
CIN: U24239DL2004PLC125888
Notes to the Restated Consolidated Financial Information
(All amounts in ₹ million unless otherwise stated)

2a. Property, plant and equipment
As at 30 September 2023 and 30 September 2022

Particulars	Freehold land	Buildings	Plant and equipments	Furniture and fittings	Vehicles	Office equipments	Computers	Research and development equipments	Electrical installation	Total
Gross carrying value										
As at 01 April 2023	**337.16**	**4,070.33**	**7,681.38**	**405.42**	**117.84**	**240.97**	**294.91**	**1,250.66**	**626.59**	**15,025.26**
Additions during the period	-	357.89	482.19	61.18	5.59	16.44	24.70	28.96	23.87	1,000.82
Disposals/ adjustments (refer note 36)	-	(68.23)	(32.05)	(7.63)	0.08	(3.47)	(4.01)	(17.22)	-	(132.53)
Balance as at 30 September 2023	**337.16**	**4,359.99**	**8,131.52**	**458.97**	**123.51**	**253.94**	**315.60**	**1,262.40**	**650.46**	**15,893.55**
Accumulated depreciation										
As at 01 April 2023	**-**	**879.22**	**3,025.97**	**206.56**	**42.57**	**157.22**	**174.44**	**585.78**	**321.99**	**5,393.75**
Charge for the period	-	69.96	336.52	17.54	6.31	13.90	21.68	48.80	24.95	539.66
On disposals/ adjustments (refer note 36)	-	(23.65)	(16.20)	(3.21)	-	(1.84)	(2.91)	(6.51)	-	(54.32)
Balance as at 30 September 2023	**-**	**925.53**	**3,346.29**	**220.89**	**48.88**	**169.28**	**193.21**	**628.07**	**346.94**	**5,879.09**
Net block										
As at 30 September 2023	**337.16**	**3,434.46**	**4,785.23**	**238.08**	**74.63**	**84.66**	**122.39**	**634.33**	**303.52**	**10,014.46**
Gross carrying value										
As at 01 April 2022	**336.40**	**3,921.82**	**7,037.75**	**368.23**	**97.86**	**219.13**	**227.32**	**1,126.42**	**588.34**	**13,923.27**
Additions during the period	-	70.61	457.68	20.78	18.37	21.17	34.06	133.18	22.14	777.99
Disposals	-	(2.07)	(59.17)	(0.80)	(1.16)	(8.32)	(0.67)	(3.44)	(1.99)	(77.62)
Transfer to assets held for sale (refer note 16)	-	(12.18)	-	-	-	-	-	-	-	(12.18)
Balance as at 30 September 2022	**336.40**	**3,978.18**	**7,436.26**	**388.21**	**115.07**	**231.98**	**260.71**	**1,256.16**	**608.49**	**14,611.46**
Accumulated depreciation										
As at 01 April 2022	**-**	**788.21**	**2,513.79**	**177.73**	**36.19**	**136.64**	**144.66**	**507.24**	**298.53**	**4,602.99**
Charge for the period	-	69.41	279.20	17.80	5.67	12.41	15.98	46.80	23.67	470.94
On disposals	-	-	(26.41)	(0.23)	(1.01)	(1.01)	(0.60)	(0.70)	(0.71)	(30.67)
Transfer to assets held for sale (refer note 16)	-	(2.90)	-	-	-	-	-	-	-	(2.90)
Balance as at 30 September 2022	**-**	**854.72**	**2,766.58**	**195.30**	**40.85**	**148.04**	**160.04**	**553.34**	**321.49**	**5,040.36**
Net block										
As at 30 September 2022	**336.40**	**3,123.46**	**4,669.68**	**192.91**	**74.22**	**83.94**	**100.67**	**702.82**	**287.00**	**9,571.10**

Akums Drugs and Pharmaceuticals Limited
CIN: U24239DL2004PLC125888
Notes to the Restated Consolidated Financial Information
(All amounts in ₹ million unless otherwise stated)

As at 31 March 2023, 31 March 2022 and 31 March 2021

Particulars	Freehold land	Buildings	Plant and equipments	Furniture and fittings	Vehicles	Office equipments	Computers	Research and development equipments	Electrical installation	Total
Gross carrying value										
As at 1 April 2020	**140.68**	**2,684.11**	**4,611.44**	**262.68**	**60.63**	**157.34**	**159.33**	**815.23**	**463.06**	**9,354.50**
Additions during the year	-	163.97	264.63	14.26	8.41	13.37	17.66	101.23	11.86	595.39
Acquired as part of business combination (refer note 39)	146.84	775.93	1,112.13	2.14	1.00	-	0.36	-	-	2,038.40
Disposals	-	(7.00)	(2.17)	(0.55)	(3.28)	(2.59)	(1.50)	(1.22)	(3.53)	(21.84)
Balance as at 31 March 2021/ 1 April 2021	**287.52**	**3,617.01**	**5,986.03**	**278.53**	**66.76**	**168.12**	**175.85**	**915.24**	**471.39**	**11,966.45**
Additions during the year	48.88	297.81	1,143.38	91.73	36.66	59.61	54.97	214.89	117.81	2,065.74
Disposals	-	7.00	(91.66)	(2.03)	(5.56)	(8.60)	(3.50)	(3.71)	(0.86)	(108.92)
Balance as at 31 March 2022/ 1 April 2022	**336.40**	**3,921.82**	**7,037.75**	**368.23**	**97.86**	**219.13**	**227.32**	**1,126.42**	**588.34**	**13,923.27**
Additions during the year	85.46	416.24	948.44	50.20	27.38	35.36	74.93	164.40	86.55	1,888.96
Disposals	-	(14.24)	(107.59)	(2.65)	(5.06)	(10.26)	(1.95)	(6.78)	(9.67)	(158.20)
Transferred to assets held for sale (refer note 16)	(84.71)	(253.48)	(197.21)	(10.38)	(2.34)	(3.26)	(5.39)	(33.39)	(38.63)	(628.79)
Balance as at 31 March 2023	**337.15**	**4,070.34**	**7,681.39**	**405.40**	**117.84**	**240.97**	**294.91**	**1,250.65**	**626.59**	**15,025.24**
Accumulated depreciation										
As at 1 April 2020	-	555.13	1,742.68	126.77	25.85	109.96	108.84	347.48	223.96	3,240.67
Charge for the year	-	99.90	327.63	21.41	6.24	15.89	17.82	74.05	37.14	600.08
On disposals	-	(0.44)	(2.16)	(0.12)	(1.33)	(1.84)	(1.36)	0.01	(1.19)	(8.43)
Balance as at 31 March 2021/ 1 April 2021	**-**	**654.59**	**2,068.15**	**148.06**	**30.76**	**124.01**	**125.30**	**421.54**	**259.91**	**3,832.32**
Charge for the year	-	133.18	500.15	31.04	7.67	20.48	22.41	85.89	38.96	839.78
On disposals	-	0.44	(54.51)	(1.37)	(2.24)	(7.85)	(3.05)	(0.19)	(0.34)	(69.11)
Balance as at 31 March 2022/ 1 April 2022	**-**	**788.21**	**2,513.79**	**177.73**	**36.19**	**136.64**	**144.66**	**507.24**	**298.53**	**4,602.99**
Charge for the year	-	137.38	618.76	35.68	11.87	25.16	35.86	97.41	48.43	1,010.55
On disposals	-	(2.90)	(39.90)	(1.48)	(3.69)	(1.97)	(1.40)	(3.77)	(3.75)	(58.86)
Transferred to assets held for sale (refer note 16)	-	(43.46)	(66.67)	(5.37)	(1.81)	(2.62)	(4.68)	(15.11)	(21.23)	(160.95)
Balance as at 31 March 2023	**-**	**879.23**	**3,025.98**	**206.56**	**42.56**	**157.21**	**174.44**	**585.77**	**321.98**	**5,393.73**
Net Block										
As at 31 March 2021	**287.52**	**2,962.42**	**3,917.88**	**130.47**	**36.00**	**44.11**	**50.55**	**493.70**	**211.48**	**8,134.13**
As at 31 March 2022	**336.40**	**3,133.61**	**4,523.96**	**190.50**	**61.67**	**82.49**	**82.66**	**619.18**	**289.81**	**9,320.28**
As at 31 March 2023	**337.15**	**3,191.11**	**4,655.41**	**198.84**	**75.28**	**83.76**	**120.47**	**664.88**	**304.61**	**9,631.51**

Notes:

(i) Refer note 44 for details of assets pledged as security by the Group.

(ii) Refer note 42 for disclosures of contractual commitments for the acquisition of property, plant and equipment.

(iii) Plant and equipments capitalised during the year ended 31 March 2022, includes ₹ 70.59 million towards indirect expenses (employee benefit expenses, power and fuel expenses etc).

(iv) Title deeds of all the immovable property held by the Group companies (other than properties where the Group companies is the lessee and the lease agreements are duly executed in favour of lessee) are in the name of Group companies.

2b. Capital work-in-progress (CWIP)

As at 30 September 2023 and 30 September 2022

Particulars	Amount
As at 1 April 2023	**1,029.93**
Add: Additions during the period	1,110.09
Less: Capitalised/ adjustments during the period (refer note 36)	(848.09)
As at 30 September 2023	**1,291.93**

Particulars	Amount
As at 1 April 2022	**308.18**
Add: Additions during the period	894.03
Less: Capitalised during the period	(248.59)
As at 30 September 2022	**953.62**

As at 31 March 2023, 31 March 2022 and 31 March 2021

Particulars	Amount
As at 1 April 2020	64.08
Add: Additions during the year	157.90
Less: Capitalised during the year	(51.93)
As at 31 March 2021/ 1 April 2021	**170.05**
Add: Additions during the year	550.49
Less: Transferred to Asset held for sale (refer note 16)	(275.53)
Less: Capitalised during the year	(136.82)
As at 31 March 2022/ 1 April 2022	**308.19**
Add: Additions during the year	1,090.82
Less: Capitalised during the year	(369.07)
As at 31 March 2023	**1,029.94**

2b. Ageing of capital work-in-progress is as below:

30 September 2023

	Amount in CWIP for a period of				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Plant and equipments	773.75	62.99	30.05	-	866.79
Buildings	191.62	233.47	-	-	425.09
Other	0.05	-	-	-	0.05
	965.42	**296.46**	**30.05**	**-**	**1,291.93**

30 September 2022

Particulars	Amount in CWIP for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Plant and equipments	781.10	25.35	-	-	806.45
Buildings	134.48	1.39	-	-	135.87
Electrical installations	0.72	-	-	-	0.72
Other	8.10	2.48	-	-	10.58
	924.40	**29.22**	**-**	**-**	**953.62**

31 March 2023

Particulars	Amount in CWIP for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Plant and equipments	468.92	34.92	-	-	503.84
Buildings	504.91	1.39	-	-	506.30
Electrical installations	1.01	-	-	-	1.01
Other	18.78	-	-	-	18.78
	993.62	**36.31**	**-**	**-**	**1,029.93**

31 March 2022

Particulars	Amount in CWIP for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Plant and equipments	165.57	-	-	-	165.57
Buildings	142.62	-	-	-	142.62
	308.19	**-**	**-**	**-**	**308.19**

31 March 2021

Particulars	Amount in CWIP for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Plant and equipments	1.95	-	-	-	1.95
Buildings	168.10	-	-	-	168.10
	170.05	**-**	**-**	**-**	**170.05**

Notes :

(i) There are no such project under capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan as at 30 September 2023, 30 September 2022, 31 March 2023, 31 March 2022 and 31 March 2021.

(ii) Plant and equipments under capital work-in-progress during the year ended 31 March 2022, includes ₹ 68.54 million towards indirect expenses (employee benefit expenses, power and fuel expenses etc).

(iii) Refer note 44 for details of assets pledged as security by the Group.

2c. Intangible assets under development

As at 30 September 2023 and 30 September 2022

Particulars	Amount
As at 1 April 2023	**1.63**
Add: Additions during the period	3.37
Less: Transfer during the period	(1.22)
As at 30 September 2023	**3.78**

Particulars	Amount
As at 1 April 2022	**2.53**
Add: Additions during the period	704.30
Less: Transfer during the period	(2.53)
As at 30 September 2022	**704.30**

As at 31 March 2023, 31 March 2022 and 31 March 2021

Particulars	Amount
As at 31 March 2021/ 1 April 2021	**-**
Add: Additions during the year	2.53
Less: Transfer during the year	-
As at 31 March 2022/ 1 April 2022	**2.53**
Add: Additions during the year	704.30
Less: Provision for impairment	(697.50)
Less: Transfer during the year	(7.70)
As at 31 March 2023	**1.63**

2c. Ageing of intangible assets under development is as below:

30 September 2023

Particulars	**Amount in intangible assets under development for a period of**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Software pending installation	3.78	-	-	-	3.78
	3.78	**-**	**-**	**-**	**3.78**

30 September 2022

Particulars	Amount in intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Software pending installation	6.80	-	-	-	6.80
License and rights	697.50	-	-	-	697.50
	704.30	**-**	**-**	**-**	**704.30**

31 March 2023

Particulars	Amount in intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Software pending installation	1.63	-	-	-	1.63
License and rights	697.50	-	-	-	697.50
Less: Provision for impairment in value of license	(697.50)	-	-	-	(697.50)
	1.63	**-**	**-**	**-**	**1.63**

31 March 2022

Particulars	Amount in intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Software pending installation	2.53	-	-	-	2.53
	2.53	**-**	**-**	**-**	**2.53**

Notes:
(i) There were no intangible assets under development as at 31 March 2021.

(ii) There are no such project under intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan as at 30 September 2023, 30 September 2022, 31 March 2023 and 31 March 2022.

(This space has been intentionally left blank)

3. Other intangible assets

As at 30 September 2023 and 30 September 2022

Particulars	Brands/ Trademarks	Software	Total
Gross carrying value			
Balance as at 1 April 2023	**113.68**	**249.12**	**362.80**
Additions during the period	-	11.41	11.41
Disposals	(0.23)	(4.41)	(4.64)
Balance as at 30 September 2023	**113.45**	**256.12**	**369.57**
Accumulated amortisation			
Balance as at 1 April 2023	**111.57**	**193.86**	**305.43**
Charge for the period	0.59	11.01	11.60
On disposals	(0.23)	(4.41)	(4.64)
Balance as at 30 September 2023	**111.93**	**200.46**	**312.39**
Net carrying value			
As at 30 September 2023	**1.52**	**55.66**	**57.18**
Gross carrying value			
Balance as at 1 April 2022	**113.70**	**229.95**	**343.65**
Additions during the period	-	2.58	2.58
Disposals	-	-	-
Balance as at 30 September 2022	**113.70**	**232.53**	**346.23**
Accumulated amortisation			
Balance as at 1 April 2022	**109.40**	**180.38**	**289.78**
Charge for the period	1.44	8.45	9.89
On disposals	-	-	-
Balance as at 30 September 2022	**110.84**	**188.83**	**299.67**
Net carrying value			
As at 30 September 2022	**2.86**	**43.70**	**46.56**

As at 31 March 2023, 31 March 2022 and 31 March 2021

Particulars	Brands/ Trademarks	Software	Total
Gross carrying value			
Balance as at 1 April 2020	131.05	188.01	319.06
Additions during the year	-	14.98	14.98
Balance as at 31 March 2021/ 1 April 2021	**131.05**	**202.99**	**334.04**
Additions during the year	2.10	28.27	30.37
Disposals	(19.45)	(1.31)	(20.76)
Balance as at 31 March 2022/ 1 April 2022	**113.70**	**229.95**	**343.65**
Additions during the year	-	22.97	22.97
Disposals	(0.02)	(2.66)	(2.68)
Transferred to assets held for sale (refer note 16)	-	(1.14)	(1.14)
Balance as at 31 March 2023	**113.68**	**249.12**	**362.80**
Accumulated amortisation			
Balance as at 1 April 2020	97.48	142.02	239.50
Charge for the year	24.40	16.69	41.09
Balance as at 31 March 2021 / 01 April 2021	**121.88**	**158.71**	**280.59**
Charge for the year	6.97	22.89	29.86
On disposals	(19.45)	(1.22)	(20.67)
Balance as at 31 March 2022 / 01 April 2022	**109.40**	**180.38**	**289.78**
Charge for the year	2.18	16.34	18.52
On disposals	(0.01)	(1.83)	(1.84)
Transferred to assets held for sale (refer note 16)	-	(1.03)	(1.03)
Balance as at 31 March 2023	**111.57**	**193.86**	**305.43**
Net carrying value			
As at 31 March 2021	**9.17**	**44.28**	**53.45**
As at 31 March 2022	**4.30**	**49.57**	**53.87**
As at 31 March 2023	**2.11**	**55.26**	**57.37**

Particulars	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
4. Investments					
Investment in equity instruments					
Non-trade, unquoted (measured at fair value through profit and loss)					
18,750 (previous period/ years: 18,750) equity shares of Nimbua Greenfield (Punjab) Ltd of ₹ 10/- (previous period/ years: ₹ 10/-) each fully paid up.	0.19	0.19	0.19	0.19	0.19
55,000 (previous period/ years: 55,000) equity shares of Mohali Green Environment Private Ltd of ₹ 10/- (previous period/ years: ₹ 10/-) each fully paid up.	1.24	1.24	1.24	1.24	1.24
(A)	**1.43**	**1.43**	**1.43**	**1.43**	**1.43**
Investment in partnership firm (considered as associate) accounted for using the equity method					
AUSL Pharma*	-	2.43	2.43	0.40	0.40
Add/(less): share in profit/ (loss) of associate	-	(1.70)	(2.03)	2.03	3.47
Less: amount withdrawn on closure of partner capital account	-	-	(0.40)	-	-
(B)	**-**	**0.73**	**-**	**2.43**	**3.87**
Total (A+B)	**1.43**	**2.16**	**1.43**	**3.86**	**5.30**
Aggregate amount of unquoted investments	1.43	2.16	1.43	3.86	5.30
Aggregate provision for impairment in value of investments	-	-	-	-	-

* Name of the partner/ share of partner in profit-
Akums Drugs and Pharmaceuticals Limited (40%), Vikram Malhotra (36%), Sunil Anand (12%) and Jaideep Malhotra (12%), Total capital of the firm: ₹ 1.00 million

Notes:
(i) During the year ended 31 March 2023, the Group has its partnership rights by withdrawing its 40% share from the firm on 31 December 2022.
(ii) Also refer note 40 for further details.
(iii) Refer note 47 for disclosure of fair value in respect of financial assets measured at fair value through profit and loss.

Particulars	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
5. Loans (non-current)					
Unsecured, considered good					
Loans to related parties (refer note 45)*	-	47.93	-	55.00	-
Loans receivable**	-	71.29	-	-	-
	-	**119.22**	**-**	**55.00**	**-**

* Includes loan given to associate ₹ 55.00 million as at 31 March 2022 (31 March 2021: ₹ 80.00 million) for business purpose carrying interest rate of 12% p.a. (31 March 2021: 12% p.a.). The same was classified as non-current as at 31 March 2022 owing to restructuring in repayment terms. Loan was repaid during the year ended 31 March 2023.
** Loan receivable carries interest @ 7% p.a. is repayable at maturity. Maturity date of loan provided is 31 March 2024.
Refer note 47 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively.

Particulars	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
6. Other financial assets (non-current)					
Financial assets carried at amortised cost					
(Unsecured, considered good)					
Security deposits	284.52	284.37	267.22	233.93	181.31
Deposits with remaining maturity of more than 12 months*	94.49	73.47	76.33	133.13	205.71
Other financial assets	1.54	1.47	0.65	26.97	67.96
	380.55	**359.31**	**344.20**	**394.03**	**454.98**

**pledged with government authorities and others*

Refer note 47 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively.

Particulars	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
7. Non-current tax assets					
Advance income tax (net of provision)	114.75	419.28	122.61	360.43	136.22
	114.75	**419.28**	**122.61**	**360.43**	**136.22**
8. Other non-current assets					
Unsecured, considered good					
Capital advances	251.79	114.35	198.03	160.31	68.72
Advances other than capital advance:					
Prepaid expenses	44.05	39.67	50.05	33.39	15.87
Tax deposited with sales tax department (refer note 41(a))	51.31	51.31	51.31	51.31	51.31
Balances with statutory and government authorities	-	382.52	324.73	-	-
Other receivable	9.77	9.93	11.49	11.37	5.27
Unsecured, considered doubtful					
Capital advances	36.00	2.00	36.00	-	-
Less: Allowance for expected credit loss on capital advances	(36.00)	(2.00)	(36.00)	-	-
	356.92	**597.78**	**635.61**	**256.38**	**141.17**

(This spcae has been intentionally left blank)

Particulars	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
9. Inventories					
(refer note 1.7 on inventories)					
Raw materials					
on hand	3,416.58	3,885.06	3,618.05	3,348.40	1,861.77
in transit	170.24	87.49	244.20	205.26	20.42
Packing materials					
on hand	837.48	872.58	819.01	808.75	497.43
in transit	6.51	11.00	9.47	10.31	1.28
Work-in-progress	818.33	962.30	768.25	670.36	342.66
Finished goods	1,088.73	1,854.49	1,304.19	1,600.08	974.85
Stock-in-trade					
on hand	330.05	590.82	354.43	415.49	479.73
in transit	26.99	51.92	17.08	-	13.61
Stores and spares					
on hand	136.53	138.32	118.81	122.28	65.56
in transit	6.27	1.37	1.31	2.03	2.09
Right to recover products from customers	44.95	47.00	43.15	41.52	39.19
	6,882.66	**8,502.35**	**7,297.95**	**7,224.48**	**4,298.59**

Refer note 44 for information on inventories pledged as security by the Group.

10a. Investments					
Unqouted (measured at fair value through profit and loss)					
Non-trade					
Investment in mutual funds					
Nil (31 March 2021: 45,874.99) units of HDFC Overnight fund - Direct Plan- Growth Option	-	-	-	-	120.08
Nil (31 March 2021: 64,351.26) of AXIS Overnight fund - Direct Plan- Growth Option	-	-	-	-	70.01
	-	**-**	**-**	**-**	**190.09**
Aggregate value of unquoted investments	-	-	-	-	190.09

Refer note 47 for disclosure of fair value in respect of financial assets measured at fair value through profit and loss.

10b. Trade receivables					
Trade receivables - unsecured, considered good	11,189.99	9,521.89	8,450.87	8,843.12	5,313.99
Trade receivables - unsecured, credit impaired	198.72	147.83	147.48	169.37	138.98
Less: Loss allowance for expected credit losses	(198.72)	(147.83)	(147.48)	(169.37)	(138.98)
	11,189.99	**9,521.89**	**8,450.87**	**8,843.12**	**5,313.99**

Notes:
(i) Refer note 45 for dues from related party
(ii) Refer note 44 for information on trade receivables pledged as security by the Group.
(iii) Refer note 47 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively. All amounts are short term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.
(iv) Refer note 55A for the ageing of the trade receivables.
(v) No amount is due from directors or officers of the Company.

11. Cash and cash equivalents					
Balance with banks:					
- in current accounts	1,165.47	434.83	513.54	479.34	190.50
- in deposit accounts with original maturity of less than three months	5.95	20.00	-	68.00	24.86
Cash on hand	4.88	3.84	2.54	4.05	5.31
	1,176.30	**458.67**	**516.08**	**551.39**	**220.67**

Refer note 44 for information on cash and cash equivalents pledged as security by the Group.
Refer note 47 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively.

12. Other bank balances					
Deposits having original maturity of more than three months but remaining maturity of less than twelve months	1,288.14	619.03	983.81	477.08	458.01
	1,288.14	**619.03**	**983.81**	**477.08**	**458.01**

Refer note 44 for information on other bank balances pledged as security by the Group.
Refer note 47 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively.

(This space has been intentionally left blank)

Particulars	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
13. Loans (current)					
Loans receivable*	-	-	73.73	-	-
Loans to related parties (refer note 45)**	-	-	-	-	80.00
	-	**-**	**73.73**	**-**	**80.00**

* Loan given to a body corporate on 23 April 2022 for carrying out working capital purpose activities on which interest is charged @ 7% is repayable at maturity. Maturity date of loan provided is 31 March 2024, and hence classified as current.

** Loan given to associate for business purpose carrying interest rate of 12% p.a. The same has been repaid during the year ended 31 March 2023.

Refer note 44 for information on loans (current) pledged as security by the Group.
Refer note 47 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively.

Particulars	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
14. Other financial assets (current)					
Financial assets carried at amortised cost					
(Unsecured, considered good)					
Balances with statutory and government authorities	225.40	227.93	147.19	203.53	138.99
Others	5.01	45.62	5.11	4.48	5.08
	230.41	**273.55**	**152.30**	**208.01**	**144.07**

Refer note 44 for information on loans (current) pledged as security by the Group.
Refer note 47 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively.

Particulars	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
15a. Current tax assets					
Income-tax assets (net of provisions)	114.05	79.16	114.05	-	1.60
	114.05	**79.16**	**114.05**	**-**	**1.60**
15b. Other current assets					
(Unsecured, considered good)					
Advance to suppliers and others	253.86	328.43	246.62	202.91	166.01
Prepaid expenses	108.00	85.90	90.96	79.42	64.70
Balances with statutory and government authorities	1,061.64	662.91	811.32	1,043.18	603.21
Other current assets*	48.92	24.95	51.03	11.04	33.11
	1,472.42	**1,102.19**	**1,199.93**	**1,336.55**	**867.03**

* includes CSR asset 30 September 2023 : ₹ 25.22 million, 30 September 2022 : ₹ 14.42 million million, 31 March 2023 : ₹ 37.44 million, 31 March 2022 : ₹ 1.64 million and 31 March 2021 : Nil).
* includes IPO expense of ₹ 12.45 million as at 30 September 2023, carried forward as other current assets pertaining to Holding Company's share and the aforesaid amount will be adjusted with securities premium at the time of issue of shares in accordance with requirement of Section 52 of the Companies Act, 2013.

Particulars	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
16. Assets held for sale					
Manufacturing facility at Assam (refer note 16.1 below)	-	-	452.87	-	-
Land and building (refer note 16.2 and 16.3 below)	-	321.26	-	275.53	-
	-	**321.26**	**452.87**	**275.53**	**-**

16.1 During the year ended 31 March 2023, the management of one of the group company vide board resolution dated 14 March 2023 decided to sell manufacturing facility situated in Assam. The difference in the fair value and the carrying value amounting to ₹ 47.50 million had been recognised as an exceptional expense in the Restated Consolidated Statement of Profit and Loss for the year ended 31 March 2023.

During the current period, the above assets held for sale (recorded at a book value less impairment provision of ₹ 47.50 million as above) have been sold for a consideration of ₹ 451.63 million and the resultant gain has been recognised as an exceptional item in the Restated Consolidated Statement of Profit and Loss for the six months period ended 30 September 2023.

16.2 During the year ended 31 March 2022, the management of one of the group company vide board resolution dated 14th March 2022 approved to sell off the land and building situated at Plot No. 1A, Sector-10, Integrated Industrial Estate, SIDCUL, Village Selampur Mehdood, Ranipur, Haridwar, Uttarakhand-249403 for ₹ 271.00 million (carried at lower of book value and consideration agreed).

During the year ended 31 March 2023, the sale of the aforementioned land and building was concluded and the resultant amount was recorded in the Restated Consolidated Statement of Profit and Loss.

16.3 During the six months period ended 30 September 2022, the Holding company decided to sell off the land and building located at Plot No. 21-22, Sec-8B, Industrial Area, IIE, Sidcul, Haridwar, Uttarakhand-249403, amounting to Rs. 50.26 million. The Holding Company received an advance of ₹ 58.00 million against the sale transaction. In subsequent period, the sale transaction was concluded in October 2022 for a total consideration of ₹ 101.50 million.

During the year ended 31 March 2023, the sale of the aforementioned land and building was concluded and the resultant profit of ₹ 51.24 million was shown in the Restated Consolidated Statement of Profit and Loss.

Accordingly, in terms of Ind AS 105 - 'Non-current assets held for sale and discontinuing operations', the above assets were presented as 'Assets held for sale' separately from other assets in the Restated Consolidated Statemernt of Assets and Liabilities. Further, the above assets were recognised at lower of carring value and the fair value expected to be realised.

(This space has been intentionally left blank)

Particulars	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
17. Equity share capital					
Authorised					
150,000,000 (31 March 2023: 150,000,000; 30 September 2022/ 31 March 2022: 75,000,000; 31 March 2021: 15,000,000) equity shares of ₹ 2 each (31 March 2023/ 30 September 2022/ 31 March 2022: ₹ 2 each; 31 March 2021: ₹ 10 each)	300.00	150.00	300.00	150.00	150.00
	300.00	**150.00**	**300.00**	**150.00**	**150.00**
Issued, Subscribed & Fully Paid up					
143,064,350 (31 March 2023: 143,064,350; 30 September 2022/ 31 March 2022: 71,532,175; 31 March 2021: 1,300,585) equity shares of ₹ 2 each (31 March 2023/ 30 September 2022/ 31 March 2022: ₹ 2 each; 31 March 2021: ₹ 10 each)	286.13	143.07	286.13	143.07	13.01
	286.13	**143.07**	**286.13**	**143.07**	**13.01**

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

Particulars	As at 30 September 2023		As at 30 September 2022		As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	No. of shares	₹	No. of shares	₹	No. of shares	₹	No. of shares	₹	No. of shares	₹
At the beginning of the period/ year	14,30,64,350	286.13	7,15,32,175	143.07	7,15,32,175	143.07	13,00,585	13.01	13,00,585	13.01
Add: shares issued during the period/ year										
- additional shares issued on account of share split in the ratio of 1:5	-	-	-	-	-	-	52,02,340	-	-	-
- bonus shares issued during the period/ year	-	-	-	-	7,15,32,175	143.06	6,50,29,250	130.06	-	-
At the end of the period/ year	**14,30,64,350**	**286.13**	**7,15,32,175**	**143.07**	**14,30,64,350**	**286.13**	**7,15,32,175**	**143.07**	**13,00,585**	**13.01**

17.2 Terms/rights attached to equity shares

The Holding Company has only one class of equity shares having face value of ₹ 2 per share (31 March 2023/ 30 September 2022/ 31 March 2022: ₹ 2 each; 31 March 2021: ₹ 10 each). Each equity shareholder is entitled to one vote per share.

In the event of winding up of the Group, the equity shareholders will be entitled to be repaid remaining assets of the Group, after distribution of all preferential amounts, in the ratio of the amount of capital paid on such equity shares.

On 03 October 2019, the Holding Company executed a shareholders' agreement ("the Agreement") with its existing shareholders (Mr. Sandeep Jain and Mr. Sanjeev Jain) and Ruby QC Investments Pte. Limited ("the Investor") wherein 125,585 fully paid equity shares were issued by the Holding Company and 70,642 equity shares were transferred by the said shareholders directly to the Investor for a total consideration of ₹ 5,000.00 million giving the Investors 15.09% stake in the Group.

As per the Agreement, in the event of liquidation of the Group, the equity shares held by the Investor will have preferential right on the liquidation proceeds so available to the Holding Company over other shareholder. Also refer note 20.1

17.3 Details of shareholders Holding more than 5% shares in the Holding Company*

Name of shareholder	As at 30 September 2023		As at 30 September 2022		As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	No. of shares	% Holding	No. of shares	% Holding	No. of shares	% Holding	No. of shares	% Holding	No. of shares	% Holding
Sanjeev Jain#	6,06,92,940	42.42	3,03,46,470	42.42	6,06,92,940	42.42	3,03,46,470	42.42	5,52,054	42.42
Sandeep Jain#	6,07,28,690	42.45	3,03,64,345	42.45	6,07,28,690	42.45	3,03,64,345	42.45	5,52,179	42.45
Ruby QC Investment Holding Pte Ltd.	2,15,84,970	15.09	1,07,92,485	15.09	2,15,84,970	15.09	1,07,92,485	15.09	1,96,227	15.09

promoters of the Holding Company. There has been no change in the shareholding ratio of the promoters. Further, the change in shares held is due to split and bonus issue in the current year.

*As per records of the Holding Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

17.4 No shares, except below have been issued as bonus shares or issued for consideration other than cash or bought back during the period of five years immediately preceding the reporting date.

Particulars	No of shares
Shares issued as bonus shares during the year 2022-2023	7,15,32,175
Additonal shares issued on account of share split during the year 2021-2022	52,02,340
Shares issued as bonus shares during the year 2021-2022	6,50,29,250

17.5 The Holding Company vide board resolution dated 16 March 2022 and shareholder resolution dated 31 March 2022 had approved the Employee Stock Option Scheme 2022 and authorised to create, grant, offer, issue and allot under Emloyee Stock Option Scheme 2022, 10,72,983 employee stock options for the benefit of employees and directors of the Company as decided by the board. The number of shares post bonus issue done in financial year ended 31 March 2023, have resulted in increase of Employee Stock Options from 10,72,983 options to 21,45,966 options. Refer note 56 for details.

Particulars	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
18. Other equity					
(a) Capital reserve					
Balance as at the beginning of the period/ year	1,029.98	1,029.98	1,029.98	1,029.98	22.03
Add: On account of business combination (refer note 39)	-	-	-	-	1,007.95
Balance as at the end of the period/ year	**1,029.98**	**1,029.98**	**1,029.98**	**1,029.98**	**1,029.98**
(b) Securities premium					
Balance as at the beginning of the period/ year	1,271.66	1,271.66	1,271.66	1,282.91	1,282.91
Less: bonus shares issued during the year	-	-	-	(11.25)	-
Balance as at the end of the period/ year	**1,271.66**	**1,271.66**	**1,271.66**	**1,271.66**	**1,282.91**
(c) Retained earnings					
Balance as at the beginning of the period/ year	6,385.36	5,576.29	5,576.29	8,323.81	7,707.27
Add: profit/ (loss) for the period/ year	(1,564.17)	686.08	948.55	(2,525.36)	1,227.06
Add: other comprehensive income, net of tax					
Re-measurement gain/ (loss) on defined benefit plan	(3.87)	11.87	19.78	(0.84)	(0.63)
Add: transactions with holders of NCI (refer note 39)	-	(16.20)	(16.20)	(102.51)	(609.89)
Less: bonus shares issued during the year	-	-	(143.06)	(118.81)	-
Balance as at the end of the period/ year	**4,817.32**	**6,258.04**	**6,385.36**	**5,576.29**	**8,323.81**
(d) Put option reserve					
Balance as at the beginning/ end of the period/ year	**(1,801.24)**	**(1,801.24)**	**(1,801.24)**	**(1,801.24)**	**(1,801.24)**
(e) Employee stock option reserve					
Balance as at beginning of the period/ year	-	-	-	-	-
Add: Employee stock options granted during the period	6.91	-	-	-	-
Less: Employee stock options cancelled during the period	(6.91)				
Balance as at end of the period/ year	**-**	**-**	**-**	**-**	**-**
Total	**5,317.72**	**6,758.44**	**6,885.76**	**6,076.69**	**8,835.46**

Nature of reserves
The description of nature and purpose of each of the above reserve within equity is as under:

1. Capital reserve on consolidation
The excess of fair value of net assets acquired over consideration paid in a business combination is recognised as capital reserve on consolidation. The reserve is not available for distribution.

2. Securities premium
Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

3. Retained earnings
Retained earnings are the profits that the Group has earned till date and not distributed. Retained earnings is a free reserve available to the Group.

4. Put option reserve
Refer note 20.1 for details.

5. Employee stock option reserve
Employee stock options have been issued under Emloyee Stock Option Scheme 2022 to the eligible employees and subsequent to that grants were issued. The reserve has been created for the ESOP grants issued by the Group.
Refer note 56.

(This space has been intentionally left blank)

Particulars	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
19. Borrowings					
Term loans					
Secured					
From banks including accrued interest (refer note 19.1)	1,465.98	1,554.82	1,494.21	200.19	98.53
Unsecured					
Loan from others (refer note 19.2)	-	-	-	-	11.61
	1,465.98	**1,554.82**	**1,494.21**	**200.19**	**110.14**
Less: shown in current maturities of long-term borrowings (refer note 23)	(456.02)	(185.50)	(339.25)	(66.86)	(98.53)
	1,009.96	**1,369.32**	**1,154.96**	**133.33**	**11.61**

19.1 Details of security and repayment terms of the above borrowings (including current maturities)

	Outstanding balance				
	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
a) Term loan taken from HDFC Bank Limited (Pure and Cure Healthcare Private Limited) carries an interest rate equivalent to MCLR plus 0.70% (31 March 2022: 8.40% p.a. and 31 March 2021: 9.20% p.a.), secured by way of mortgage/hypothecation (pari passu) on immovable assets of Haridwar unit (Plant 6) and movable assets of the Group company, both present and future. The loan was repayable in quarterly installments of ₹ 49.31 million each till September 2021; starting from June 2019). The loan was repaid during the year ended 31 March 2022.	-	-	-	-	98.53
b) Term Loan taken from HDFC Bank Limited (Pure and Cure Healthcare Private Limited) carries an interest rate of 8.32% p.a. as at 30 September 2023 (30 September 2022: 7.9% p.a., 31 March 2023: 7.9% p.a., 31 March, 2022: 5% p.a.), basis on 5% linked with 3 months T-Bill, are secured by way of mortgage/hypothecation (pari passu) on immovable assets of Haridwar unit and movable assets of the company, both present and future. The loan is repayable in quarterly installments of Rs. 16.67 million each till March 2025; started from June 2022.	100.74	167.62	134.29	200.19	-
c) Term loan taken from HDFC Bank Limited (Pure and Cure Healthcare Private Limited) carries an interest rate as at 30 September 2023: 8.32% p.a. (30 September 2022: 7.9% p.a., 31 March 2023: 8.34% p.a.) basis on 6.75% linked with 3 months T-Bill, are secured by way of mortgage/ hypothecation (pari passu) on immovable assets of Haridwar unit and movable assets of the Company, both present and future. The loan is repayable in quarterly installments of ₹ 13.63 million each till March 2025; starting from September 2022).	82.45	137.20	109.92	-	-
d) Term loan taken from The Hongkong and Shanghai Banking Corporation Limited (Akums Drugs and Pharmaceuticals Limited) Carries an interest rate as at 30 September 2023: 7.62% to 7.99% p.a. (30 September 2022 : 6.51%, 31 March 2023: 6.51% p.a. to 7.64% p.a.) linked with 1 month T-Bill, are secured by way of mortgage/ hypothecation (pari passu) on immovable assets of Haridwar unit and movable assets of the Company, both present and future. The loan is repayable in quarterly installments of ₹ 15.63 million each till August 2027; starting from November 2023.	250.00	250.00	250.00	-	-
e) Term Loan from The Hongkong and Shanghai Banking Corporation Limited (erstwhile Akums Lifesciences Limited, now merged with Pure and Cure Healthcare Private Limited) Carries an interest rate as at 30 September 2023: 7.70% p.a. (30 September 2022: 6.12% to 7.95% p.a., 31 March 2023: 6.12% to 7.95% p.a.) which is linked to prevalent bank MCLR, are secured by way of mortgage/hypothecation (pari passu) on current assets, immovable assets and movable assets of the Company, both present and future and corporate guarantee from Akums Drugs and Pharmaceuticals Limited (Holding Company). The loan is repayable in 16 quarterly installments with first repayment starting from September 2023.	937.51	1,000.00	1,000.00	-	-
e) Term Loan from HDFC Bank Limited (Akums Healthcare Limited) carries an interest rate of 8.32% p.a. as at 30 September 2023, linked with 3 months T-Bill, are secured by way of mortgage/ hypothecation on immovable assets of Haridwar unit and movable assets of the Company, both present and future. The loan is repayable in monthly installments of ₹ 1.69 million each till May 2028; started from June 2023.	95.28	-	-	-	-
	1,465.98	**1,554.82**	**1,494.21**	**200.19**	**98.53**

19.2 Represents loan taken from directors of Ziven Lifesciences Limited (subsidiary of earstwhile Akums Lifesciences Limited, now merged with Pure and Cure Healthcare Private Limited). The loan carried an interest rate of 9.25% p.a. The loan was repaid during the year ended 31 March 2022.
19.3 Refer note 44 for assets pledged as security.
19.4 Refer note 47 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of the maturity profile.
19.5 The Group has not defaulted in repayment of interest during the current period. Further, there have been no default in repayment of loan and no breaches in the financial covenants of any interest-bearing loans and borrowings in the current period.
19.6 The property on which mortgaged or any charged created has been duly registered with Registrar of companies.

20. Other financial liabilities

Put option liability (refer notes 20.1 and note 47)	12,612.50	10,252.46	10,076.04	10,515.74	5,574.00
Security deposit received:					
from customers	130.16	138.17	151.92	113.40	94.96
from contractors and suppliers	161.12	127.08	128.86	15.74	12.64
Others (refer note 20.2 below)	-	-	-	-	408.83
	12,903.78	**10,517.71**	**10,356.82**	**10,644.88**	**6,090.43**

Note:
20.1 Pursuant to the Agreement described in note 17, the Investor has a right to exercise an option ("put option") after 54 months from 3 October 2019 to require the Holding company and issue 'Exit notice' to buyback its equity shares at fair market value at the date of exercise of the put option, in case the Hodling company is not able to give exit to the Investor through an 'initial public offer' or a secondary sale to a third party. The Holding company per the agreement entered is required to buy back the equity securities held by the investor within 180 days from the date of the exit notice.

The put option is considered to be contractual obligation of the Holding Company to deliver cash and accordingly the entire amount of ₹ 5,000.00 million paid by the Investor has been recognised as a financial liability at fair value in accordance with Ind AS 109 - Financial instruments and presented above as "put option liability".

The put option liability represents the fair value of the contractual obligation of the Holding Company and includes amounts payable in respect of shares transferred directly from the said shareholders to the Investor amounting to ₹ 1,799.99 million and the face value of the equity shares directly issued to the Investor by the Holding Company amounting to ₹ 1.26 million with a corresponding adjustment of ₹ 1,801.24 million to "other equity" as a "put option reserve" at initial recognition. Refer note 47 for subsequent changes in the fair value.

20.2 Represents the portion of financial creditors which is to be paid by the Group subsequent to 31 March 2022, pursuant to the resolution plan approved for earstwhile Akums Lifesciences Limited, now merged with Pure and Cure Heathcare Private Limited.

Particulars	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
21. Provisions					
Provision for employee benefits					
Gratuity (refer note 43)	212.25	179.77	190.96	172.92	143.44
Compensated absences (refer note 43)	76.99	73.65	71.31	66.40	61.00
	289.24	**253.42**	**262.27**	**239.32**	**204.44**
22. Deferred tax liabilities (net)					
Deferred tax liabilities comprises of:					
Temporary difference of book and tax depreciation	646.61	547.74	607.51	552.27	654.27
Right to recover products from customer	11.31	11.83	10.86	10.45	9.86
	657.92	**559.57**	**618.37**	**562.72**	**664.13**
Deferred tax assets comprises of:					
Temporary difference of book and tax depreciation	4.90	5.66	1.21	1.38	1.01
Items that are tax deductible on payment basis	103.89	79.19	96.50	120.54	149.88
Carried forward business losses	115.55	154.06	154.67	67.40	46.18
Refund liability	98.38	107.01	94.95	101.02	90.65
Lease liabilities (net)	114.53	9.66	76.55	5.99	5.52
Provision for expected credit loss	34.78	24.80	30.50	11.06	35.98
Provision for dimunition in value of intangible assets	-	-	175.55	-	25.17
`	33.60	50.86	50.60	50.88	44.06
	505.63	**431.24**	**680.53**	**358.27**	**398.45**
Deferred tax liabilities (net)	**152.29**	**128.33**	**(62.16)**	**204.45**	**265.68**
Deferred tax assets	237.81	297.29	315.17	188.53	147.01
Deferred tax liabliities	390.10	425.62	253.01	392.98	412.69

Notes:

1. Deferred tax assets and deferred tax liabilities have been offset wherever the Group has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority. The deferred tax assets has been created only where it is reasonably certain that there will be sufficient taxable income against which such deferred tax assets can be utilised based on convincing evidences such as approved business plans and projections of the respective companies with in the Group.
2. Refer note 48 for details.

Particulars	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
23. Borrowings					
Secured					
Loan repayable on demand (from banks)					
Working capital loan from bank includes interest accrued (refer note 23.1 below)	4,611.13	5,677.70	3,875.52	3,379.34	860.50
Current maturities of long-term borrowings (refer note 19)	456.02	185.50	339.25	66.86	98.53
Unsecured					
Working capital loan from bank includes interest accrued (refer note 23.1 below)	1,000.40	-	-	-	-
	6,067.55	**5,863.20**	**4,214.77**	**3,446.20**	**959.03**

Notes:

23.1 Nature of security and repayment terms of the above borrowings are as below:

	Outstanding balance				
	As at 30 September 2023	**As at 30 September 2022**	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**
(a) Cash credit facility from State Bank of India (Akums Drugs and Pharmaceuticals Limited) Cash Credit facility received from State Bank of India has been secured by Company's all current assets (present and future) at Company's head office and hypothecation of stocks, book debts and fixed & movable assets of the Unit I, II III, IV & V equitable mortgage by deposit of title deeds in repect of land at Haridwar of the Unit I, II III, IV & V and personal guarantee of directors of the Company. The loan is repayable on demand and carries an interest rate as at 30 September 2023: 8.45% to 8.85% p.a. (30 September 2022: 7.50% to 8.85% p.a., 31 March 2023: 7.5% p.a. to 8.85% p.a., 31 March 2022: 8.85% p.a., 31 March 2021 : 8.90% to 9.25% p.a.)	56.40	59.08	-	471.53	224.93
(b) Cash credit facility from Standard Chartered Bank (Akums Drugs and Pharmaceuticals Limited) Cash credit facility from Standard Chartered Bank is secured by Hypothecation/ mortgage of stocks, book debts and fixed and movable assets of unit IV & V; equitable mortgage by deposit of title deeds in respect of land at Haridwar and personal guarantee of directors. The loan is repayable on demand and carries an interest rate in the range of 8.40% to 10.75% p.a. as at 31 March 2021.	-	-	-	-	0.10
(c) Overdraft facility from Punjab National Bank (erstwhile Oriental Bank of Commerce Limited) (Akums Drugs and Pharmaceuticals Limited) The bank overdrafts are secured against Fixed Deposit. The loan is repayable on demand and carries an interest rate in the range of 7.25% to 9% p.a.	-	-	-	-	2.11
(d) Cash credit facility from HDFC Bank Limited (Akums Drugs and Pharmaceuticals Limited) Cash credit facility from HDFC Bank is secured by hypothecation/mortgage of stocks,book debts and fixed and movable assets of unit I,II,III,IV & V;equitable mortgage by deposits of title deeds in respect of land at haridwar. The loan is repayable on demand and carries an interest rate as at 30 September 2023: 7.50% to 8.80% p.a. (30 September 2022: 7.2% p.a. to 8.20% p.a.)	90.72	40.08	-	-	-
(e) Working capital loan from State Bank of India (Akums Drugs and Pharmaceuticals Limited) Working Capital Loan from State Bank of India is secured by Company's all current assets (present and future) at Company's head office and hypothecation of stocks, book debts and fixed & movable assets of the Unit-I,II,III,IV & V; equitable mortgage by deposit of title deeds in repect of land at Haridwar of Unit I,II,III,IV & V and personal guarantee of directors of the company and carrries an interest rate as at 30 September 2023: 7.40% to 7.88% p.a. (30 September 2022: 6.60% to 6.90% p.a., 31 March 2023: 6.60% p.a. to 7.50% p.a.) and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.	377.38	300.45	352.21	-	-

Particulars	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
(f) Working capital loan from HDFC Bank Limited (Akums Drugs and Pharmaceuticals Limited) Working capital loan from HDFC Bank Limited is secured by hypothecation/ mortgage of stocks, book debts and fixed and movable assets of Units I,II.III, IV & V, equitable mortgage by deposits of title deeds in respect of land at haridwar (Till F.Y. 21-22 only Units IV & V were under equitable mortgage) and carrries an interest rate as at 30 September 2023: 7.60% to 8.50% p.a. (30 September 2022: 4.00% to 7.71% p.a., 31 March, 2023: 4.30% p.a. to 7.80% p.a., 31 March 2022: 4.00% p.a. 4.30% p.a.) and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.	481.12	551.62	521.63	450.61	-
(g) Working capital loan from Yes Bank Limited (Akums Drugs and Pharmaceuticals Limited) Working Capital Loan from Yes Bank Limited is secured by hypothecation/ mortgage of stocks, book debts and fixed and movable assets of unit I,II,III,IV & V; equitable mortgage by deposits of title deeds in respect of land at haridwar. The loan is repayable on demand and carries an interest rate as at 30 September 2023: 7.60% p.a to 7.95% p.a (30 September 2022: 4.00% p.a to 6.50% p.a., 31 March 2023: 4.00% p.a to 7.30% p.a., 31 March 2022: 4.0% p.a to 4.30% p.a.) and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.	502.56	392.09	332.02	200.66	-
(h) Working capital loan from HSBC Bank Limited (Akums Drugs and Pharmaceuticals Limited) Working capital loan from HSBC Bank Limited is secured by by hypothecation/ mortgage of stocks, book debts and fixed and movable assets of all the units, equitable mortgage by deposits of title deeds in respect of land at haridwar and carrries an interest rate in the range of 6.0% p.a. to 7.0% p.a. as at 30 September 2022 and is repayable after minimum 7 days to maximum 180 days of utilisation of facility. The same has been repaid in FY 22-23.	-	200.00	-	-	-
(i) Overdraft facility from Punjab National Bank (Akums Drugs and Pharmaceuticals Limited) The bank overdrafts are secured against Fixed Deposit. The loan is repayable on demand and carries an interest rate in the range of 7.25% to 9% p.a. as at 30 September 2023.	1.10	-	-	-	-
(j) Cash Credit facility from CITI Bank (Akums Drugs and Pharmaceuticals Limited) Cash credit facility from CITI Bank Limited is secured by hypothecation/mortgage of stocks,book debts and fixed and movable assets of unit I,II,II,IV & V;equitable mortgage by deposits of title deeds in respect of land at haridwar and carrries an interest rate as at 31 March 2022 in the range of 7.95% p.a. to 9.5% p.a.	-	-	-	99.36	-
(k) Working capital loan from ICICI Bank (Akums Drugs and Pharmaceuticals Limited) Working capital loan from ICICI Bank Limited is unsecured and carrries an interest rate as at 30 September 2022 in the range of 6% p.a. to 6.85% p.a. and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.	-	60.04	-	-	-
(l) Working Capital Loan from Yes Bank Limited (Pure and Cure Healthcare Private Limited) Working Capital Loan taken from Yes Bank Limited is secured by hypothecation(pari passu) of stocks,book debts and fixed and movable assets; equitable mortgage by deposit of title deeds in respect of land and buliding at Haridwar and carrries an interest rate lies in the range of (30 September 2023: 7.60% p.a. to 7.95% p.a., 30 September 2022 : 4.00% p.a. to 7.50% p.a., 31 March 2023: 4.00% p.a. to 7.50% p.a., 31 March 2022 : 4.00% p.a. to 4.20% p.a.) and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.	853.29	723.65	553.11	521.66	-
(m) Cash Credit facility from HDFC Bank Limited (Pure and Cure Healthcare Private Limited) Cash Credit facility from HDFC Bank Limited is secured by hypothecation(pari passu) of stocks,book debts and fixed and movable assets; equitable mortgage by deposit of title deeds in respect of land and buliding at Haridwar and carrries an interest rate as at 30 September 2023 lies in the range of 8.0% p.a.to 8.80% p.a. (31 March 2021: 8.35% to 9.20% p.a.)	141.86	-	-	-	243.23
(n) Working Capital Loan from ICICI Bank Limited (Pure and Cure Healthcare Private Limited) Working Capital Loan from ICICI Bank Limited is unsecured and carrries an interest rate as at 30 September 2022 lies in the range of 6.0% p.a to 7.8% p.a. and is repayable after minimum 7 days to maximum 180 days of utilisation of facility. The same has been repaid in FY 22-23.	-	120.08	-	-	-
(o) Working Capital Loan from Standard Chartered Bank (Pure and Cure Healthcare Private Limited) Working Capital Loan from Standard Chartered Bank is secured by hypothecation(pari passu) of stocks,book debts and fixed and movable assets; equitable mortgage by deposit of title deeds in respect of land and buliding at Haridwar and carrries an interest rate as at 30 September 2022 lies in the range of 6.0% p.a to 7.50% p.a. and is repayable after minimum 7 days to maximum 180 days of utilisation of facility. The same has been repaid in FY 22-23.	-	230.48	-	-	-
(p) Working Capital Loan from HDFC Bank Limited (Pure and Cure Healthcare Private Limited) Working Capital Loan from HDFC Bank Limited is secured by hypothecation(pari passu) of stocks,book debts and fixed and movable assets; equitable mortgage by deposit of title deeds in respect of land and buliding at Haridwar and carries an interest rate as at 30 September 2023 lies in the range of 7.60% p.a. to 8.60% p.a., (30 September 2022 : 4.30% p.a. to 6.50% p.a., 31 March 2023: 4.00% p.a. to 7.80% p.a., 31 March 2022 : 4.00% p.a. to 4.30% p.a.) and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.	581.26	531.32	652.93	600.65	-
(q) Cash credit facility from Yes Bank Limited (Malik Lifesciences Private Limited) Cash credit facility taken from Yes Bank Limited is secured by hypothecation(pari passu) of stocks,current assets and mortgage of movable assets and carries an interest rate as at 31st March 2022 in the range of 7.20% to 7.30% p.a.	-	-	-	1.18	-

Particulars	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
(r) Working Capital Loan from Standard Chartered Bank (Malik Lifesciences Private Limited) Working Capital Loan taken from Standard Chartered Bank is secured by hypothecation(pari passu) of stocks,current assets and mortgaged of movable assets and carries an interest rate as at 30 September 2022 in the range of 6.00% to 7.00% p.a. and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.	-	150.43	-	-	-
(s) Cash credit facility from HDFC Bank Limited (Malik Lifesciences Private Limited) Cash credit from HDFC Bank secured by hypothecation (first pari-passu change) of current assets and mortgage of and movable fixed assets and carries an interest rate as at 30 September 2022 in the range of 8.50% to 9.19% p.a. (31 March 2021: 8.60% to 10% p.a.)	-	5.98	-	-	145.99
(t) Working capital loan from HDFC Bank Limited (Malik Lifesciences Private Limited) Working Capital Loan taken from HDFC Bank Limited is secured by hypothecation(pari passu) of stocks,current assets and mortgaged of movable assets and carries an interest rate as at 30 September 2023 in the range of 7.60% p.a. to 7.76% p.a (30 September 2022: 6.75% to 7.50% p.a., 31 March, 2023: 6.50% to 7.50% p.a.) and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.	200.36	180.17	180.69	-	-
(u) Working Capital Loan from Yes Bank Limited (Malik Lifesciences Private Limited) Working Capital Loan taken from Yes Bank Limited is secured by hypothecation(pari passu) of stocks,current assets and mortgaged of movable assets and carries an interest rate as at 30 September 2023 in the range of 7.60% p.a. to 7.70% p.a. (30 September 2022: 4.00% p.a. to 6.50% p.a., 31 March 2023: 4.00% p.a to 7.50% p.a., 31 March 2022 : 4.00% to 4.20% p.a.) and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.	100.32	140.68	-	100.29	-
(v) Working Capital Loan from ICICI Bank Limited (Malik Lifesciences Private Limited) Working Capital Loan from ICICI Bank Limited is unsecured and carrries an interest rate as at 30 September 2022 in the range of 6.00% p.a to 7.8% p.a. and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.	-	50.03	-	-	-
(w) Working capital loan from CITI Bank Limited (Maxcure Nutravedics Limited) Working Capital loan from CITI Bank Limited secured by hypothecation(first pari passu charge) of stocks,current assets and mortgage of and movable fixed assets and carries an interest rate as at 30 September 2023 in the range of 7.75% p.a. to 7.97% p.a. (30 September 2022: 4.00% p.a. to 6.25% p.a., 31 March 2023: 4.00% p.a. to 7.60% p.a., 31 March 2022: 4.00% p.a. to 4.20% p.a. and 31 March, 2021: 6.25% p.a.) and is repayable after 7 days to maximum 180 days of utilisation of facility.	251.04	331.85	250.00	330.00	100.00
(x) Cash Credit from HDFC Bank Limited (Maxcure Nutravedics Limited) Cash credit facility taken from HDFC Bank Limited is secured by hypothecation(pari passu) of stocks,current assets and mortgaged of movable and immovable assets and carries an interest rate as at 30 September 2023 in the range of 7.50% p.a. to 8.90% p.a. (30 September 2022: 7.20% p.a. to 8.30% p.a.)	1.70	54.92	-	-	-
(y) Working capital loan from Yes Bank Limited (Maxcure Nutravedics Limited) Working Capital loan taken from Yes Bank Limited is secured by hypothecation(pari passu) of stocks,current assets and mortgaged of movable assets and immovable assets and carries an interest rate as at 30 September 2022 in the range of 4.00% p.a. to 6.50% p.a. (31 March 2022: 4.00% to 4.20% p.a.) and is repayable after minimum 7 days to maximum 180 days	-	150.22	-	130.44	-
(z) Working capital loan from HDFC Bank Limited (Maxcure Nutravedics Limited) Working capital facility taken from HDFC Bank Limited is secured by hypothecation(pari passu) of stocks,current assets and mortgaged of movable assets and immovable assets and carries an interest rate as at 30 September 2023 in the range of 7.60% p.a. to 7.76% p.a. (30 September 2022: 4.50% p.a. to 6.50% p.a., 31 March 2023: 4.20% p.a. to 7.60% p.a., 31 March 2022: 4.00% to 4.50% p.a.) and is repayable after minimum 7 days to maximum 180 days	160.35	150.45	120.42	150.25	-
(aa) Working Capital loan from SCB Bank Limited (Maxcure Nutravedics Limited) Working capital loan taken from SCB Bank Limited is secured by hypothecation(pari passu) of stocks,current assets and mortgaged of movable assets and immovable assets and carries an interest rate as at 30 September 2022 in the range of 6.00% to 7.30% p.a and is repayable after minimum 7 days to maximum 180 days.	-	160.11	-	-	-
(ab) Working Capital Loan from ICICI Bank Limited (Maxcure Nutravedics Limited) Working Capital Loan from ICICI Bank Limited is unsecured and carrries an interest rate as at 30 September 2022 in the range of 6% p.a to 7.8% p.a. and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.	-	30.03	-	-	-
(ac) Cash Credit facility from Citi Bank (Maxcure Nutravedics Limited) Cash credit facility taken from CITI Bank Limited is secured by hypothecation(pari passu) of stocks,current assets and mortgaged of movable and immovable assets and carries an interest rate as at 31 March 2022 in the range of 7.20% to 9.20% p.a.	-	-	-	24.99	-
(ad) Cash Credit from IDFC FIRST Bank Limited (Maxcure Nutravedics Limited) Cash credit facility taken from IDFC FIRST Bank Limited is secured by hypothecation (pari passu) of stocks,current assets and mortgaged of movable assets and immovable assets and carries an interest rate as at 31 March 2023 is 9.25% p.a. (31 March 2022: 9.5% p.a.)	-	-	0.04	0.17	-
(ae) Working Capital Loan from HDFC Bank Limited (earstwhile Akums Lifescience Limited, now merged with Pure and Cure Healthcare Private Limited) Working Capital Loan taken from HDFC Bank Limited is secured by hypothecation(pari passu) of current assets, movable fixed assets, immovable fixed asssets and carries an interest rate lies in the range of (30 September 2023: 7.60% p.a. to 8.05% p.a., 30 September 2022 : 4.50% p.a. to 6.50% p.a., 31 March 2023: 4.36% p.a. to 7.90% p.a., 31 March 2022 : 4.25% p.a. to 4.50% p.a.) and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.	561.78	682.08	551.77	150.40	-
(af) Working Capital Loan from HSBC Bank Limited (earstwhile Akums Lifescience Limited, now merged with Pure and Cure Healthcare Private Limited) Working Capital Loan taken from HSBC Bank Limited is secured by hypothecation(pari passu) of current assets, movable fixed assets, immovable fixed asssets and carries an interest rate as at 30 September 2022 is 6.59% p.a. and is repayable after 1 Month.	-	150.00	-	-	-

Particulars	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
(ag) Cash Credit facility from JP Morgan Bank (Nicholas Healthcare Limited)					
Cash Credit facility received from JP Morgan Bank of India has been Secured by exclusive charge on all current assets and movable fixed assets(both current and future) and corporate guarantee of Holding Company. The loan is repayable on demand and carries an interest rate as at 30 September 2023 in the range of 7.93% to 8.40% p.a.	14.71	-	-	-	-
(ah) Cash Credit facility from ICICI Bank Limited (Amazing Research Laboratories Limited)					
Cash Credit facility from ICICI bank was secured by exclusive charge on all moveable fixed assets & Current assets and corporate guarantee from Holding Company and carries an interest rate as at 30 September 2023 in the range of 7.5% p.a. to 8.50% p.a. (30 September 2022: 7.50% p.a. to 9.00% p.a., 31 March 2023: 7.5% p.a., 31 March 2022: 7% p.a.)	9.09	80.70	58.42	98.49	-
(ai) Overdraft facility from Yes Bank Limited (Amazing Research Laboratories Limited) Overdraft facility from Yes Bank was secured by exclusive charge on all current & moveable fixed assets and unconditional & irrevocable corporate guarantee from Akums Drugs and Pharmaceuticals Limited (Holding Company) and carries an interest rate of 7.7% p.a.. The facility has been closed in FY 2021-22.	-	-	-	-	21.33
(aj) Working capital loan from CITI Bank (Unosource Pharma Limited) FCNR loan from CITI bank was secured by exclusive charge on all moveable fixed assets and current assets and corporate guarantee from Akums Drugs and Pharmaceuticals Limited (Holding Company) and carries a floating interest rate of 7.55% p.a. as at 30 September 2023 (31 March 2023: 7.55% p.a.). The working capital loan initially taken as on 31 March 2023 was repaid and was converted in FCNR loan during the period ended 30 September 2023.	182.32	-	180.81	-	-
(ak) Cash Credit facility from HDFC Bank Limited (Plenteous Pharmaceuticals Limited)					
Cash Credit facility received from HDFC Bank of India has been Secured by exclusive charge on all current assets and movable fixed assets(both current and future) and corporate guarantee of the Holding Company. The loan is repayable on demand and carries an interest rate as at 30 September 2023 in the range of 8.33% p.a. to 9.50% p.a (30 September 2022: 7.05% p.a. to 9.19% p.a., 31 March 2023: 7.85% to 9.00% p.a., 31 March 2022: 7.85% p.a. to 9.00% p.a., 31 March 2021: 8.90% to 9.25% p.a.)	14.44	90.10	42.56	13.84	44.73
(al) Cash Credit facility from Yes Bank Limited (May & Baker Pharmaceuticals Limited)					
Cash Credit facility received from Yes Bank of India has been Secured by exclusive charge on all current assets and movable fixed assets(both current and future) and corporate guarantee of Holding Company. The loan is repayable on demand and carries an interest rate as at 30 September 2022 in the range of 7.45% p.a. to 8.15% p.a.(31 March 2023 is 9.00% p.a., 31 March 2022: 8.50% p.a. to 9.00% p.a., 31 March 2021: 8.90% p.a. to 9.25% p.a.)	-	61.06	28.82	34.82	43.23
(am) Cash Credit facility from Yes Bank Limited (Delcure Lifesciences Limited)					
Working capital facility was secured by way of hypothecation /mortgage of stocks , book debts, fixed/movable assets of Delcure Lifesciences Limited and carries an rate of interest as at 31 March 2021 in the range of 11.30% to 11.55 %. Also, corporate guarantee of Holding Company, repayable in next one year. The facility has been closed in FY 2021-22.	-	-	-	-	34.85
(an) Cash credit facilty from JP Morgan Chase Bank (Plenteous Pharamaceuticals Limited) Cash Credit facility received from JP Morgan Chase Bank N.A.has been Secured by exclusive charge on all current assets and movable fixed assets(both current and future) and corporate guarantee of Holding Company. The loan is repayable on demand and carries an interest rate as at 30 September 2023 in the range of 7.93% p.a. to 9.54% p.a. (31 March 2023 is 9.54%).	29.33	-	50.09	-	-
	4,611.13	**5,677.70**	**3,875.52**	**3,379.34**	**860.50**
Unsecured					
(a) Short term loan from HDFC Bank Limited (Akums Drugs and Pharmaceuticals Limited) Unsecured short term loan from HDFC Bank availed on 27 September 2023 at an interest rate of 7.3% linked with 1 month T-bill and is repayable after 90 days.	500.20	-	-	-	-
(b) Short term loan from HDFC Bank Limited (Pure and Cure Healthcare Private Limited)					
Unsecured short term loan from HDFC Bank availed on 27 September 2023 at an interest rate of 7.3% linked with 1 month T-bill and is repayable after 90 days.	500.20	-	-	-	-
	1,000.40	**-**	**-**	**-**	**-**

23.2 Refer note 44 for assets pledged as security.
23.3 Refer note 47 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of the maturity profile.
23.4 The above loans have been utilised as per the purpose for these loans were sanctioned.
23.5 The Group has not defaulted in repayment of interest during the current period. Further, there have been no default in repayment of loan and breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

24. Trade payables

Total outstanding dues of micro and small enterprises; and	651.40	452.93	442.16	331.87	330.56
Total outstanding dues of creditors other than micro and small enterprises	5,457.29	5,782.94	5,229.23	5,564.79	3,083.58
	6,108.69	**6,235.87**	**5,671.39**	**5,896.66**	**3,414.14**

Due from related parties (refer note 45)
Refer note 47 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of the maturity profile.
Refer note 55(B) for the ageing of the trade payables.

(This space has been intentionally left blank)

Particulars	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
25. Other financial liabilities					
Employee payables	463.77	451.18	370.66	332.66	254.04
Book overdraft	-	43.12	37.73	48.12	16.62
Payable towards property, plant and equipment	140.40	72.31	165.85	80.23	52.17
Others (refer note below)	55.74	44.48	53.86	241.08	104.66
	659.91	**611.09**	**628.10**	**702.09**	**427.49**

Note:
Included amount of ₹ 213.88 million as at 31 March 2022 (31 March 2021: ₹ 72.15 million) related to financial creditors in relation to acquisition of earstwhile Akums Lifesciences Limited (now merged with Pure and Cure Healthcare Private Limited, refer note 39). This same was paid during the year ended 31 March 2023.

Particulars	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
26. Other current liabilities					
Advance from customers	1,132.98	1,491.04	1,084.70	1,450.50	173.89
Advance received against sale of assets	-	58.00	225.10	-	
Statutory dues payable	90.55	75.28	112.15	95.27	81.07
Others	-	-	-	-	8.71
	1,223.53	**1,624.32**	**1,421.95**	**1,545.77**	**263.67**
27. Provisions					
Provision for employee benefits					
Gratuity (refer note 43)	13.99	11.99	12.37	12.07	10.76
Compensated absences (refer note 43)	16.87	15.68	14.78	18.45	16.09
Provision for sales tax (refer note 27.1 below and note 41)	55.00	-	55.00	175.23	175.23
Refund liability (refer note 27.2 below)	390.87	425.15	377.22	383.49	364.08
	476.73	**452.82**	**459.37**	**589.24**	**566.16**

Notes:

27.1 Changes in provision for sales tax in accordance with Ind AS - 37

Particulars	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Balance as at beginning of the period/ year	55.00	175.23	175.23	175.23	175.23
Less: provision reversed during the period/ year	-	(175.23)	(175.23)	-	-
Add: provision made during the period/ year	-	-	55.00		
Balance as at end of the period/ year	**55.00**	**-**	**55.00**	**175.23**	**175.23**

27.2 Changes in refund liability in accordance with Ind AS - 37

Refund liability is accounted for by recording a provision based on the Company's estimate of expected sales return. Movement in the provision for refund liability is as below:

Particulars	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Balance as at beginning of the period/ year	377.22	383.49	383.49	364.08	420.41
Add: provision made during the period/ year	13.65	41.66	-	19.41	-
Less: provision written back during the period/ year	-	-	(6.27)	-	(56.33)
Balance as at end of the period/ year	**390.87**	**425.15**	**377.22**	**383.49**	**364.08**
28. Current tax liabilities (net)					
Provision for taxes (net of advance taxes paid)	469.14	128.94	187.68	478.00	118.59
	469.14	**128.94**	**187.68**	**478.00**	**118.59**

(This space has been intentionally left blank)

Particulars	**Six months period ended 30 September 2023**	**Six months period ended 30 September 2022**	**Year ended 31 March 2023**	**Year ended 31 March 2022**	**Year ended 31 March 2021**
29. Revenue from operations					
Sale of products					
- manufactured	18,612.30	15,743.09	31,016.86	31,441.00	21,381.54
- traded goods	1,691.47	2,048.80	3,405.27	4,374.96	5,014.46
	20,303.77	17,791.89	34,422.13	35,815.96	26,396.00
Other operating revenues					
Job work income	210.46	216.85	325.51	652.38	555.67
Testing and other charges	896.72	83.39	1,592.76	86.83	185.08
Scrap sales	100.43	121.50	207.80	163.76	89.54
	21,511.38	**18,213.63**	**36,548.20**	**36,718.93**	**27,226.29**

Refer Note 46 in respect of disclosures under Ind AS 115 - Revenue from contracts with customers.

Particulars	**Six months period ended 30 September 2023**	**Six months period ended 30 September 2022**	**Year ended 31 March 2023**	**Year ended 31 March 2022**	**Year ended 31 March 2021**
30. Other income					
Interest income on items at amortised cost:					
- term deposits	49.66	18.41	49.03	35.11	49.67
- loan to associate	-	3.16	4.27	8.85	10.37
- others	1.89	8.29	25.50	2.35	1.40
Profit on sale of current investments	-	-	-	-	0.77
Liabilities no longer required, written back	13.32	177.94	216.81	21.00	32.16
Subsidy income	12.66	8.06	17.48	29.58	23.35
Profit on disposal of property, plant and equipment (net)	0.16	0.36	47.30	10.22	2.83
Profit on foreign currency transactions	41.17	20.73	18.79	31.20	27.36
Profit on reassessment or termination of right-of-use assets	1.19	-	22.36	10.55	-
Reversal of expected credit loss of trade receivables	1.49	29.89	0.09	11.39	-
Royalty income	3.48	3.13	6.22	3.71	12.48
Miscellaneous income	23.66	37.76	53.20	62.34	51.17
	148.68	**307.73**	**461.05**	**226.30**	**211.56**

Particulars	**Six months period ended 30 September 2023**	**Six months period ended 30 September 2022**	**Year ended 31 March 2023**	**Year ended 31 March 2022**	**Year ended 31 March 2021**
31. Change in inventories of finished goods, stock-in-trade and work-in-progress					
Opening stock					
Finished goods	1,304.19	1,600.08	1,600.08	974.85	380.21
Work-in-progress	768.25	670.36	670.36	342.66	493.06
Stock-in-trade	371.51	415.49	415.49	493.32	454.04
(A)	**2,443.95**	**2,685.93**	**2,685.93**	**1,810.83**	**1,327.31**
Less: Closing stock					
Finished goods	1,088.73	1,854.49	1,304.19	1,600.08	974.85
Work-in-progress	818.33	962.30	768.25	670.36	342.66
Stock-in-trade	357.04	642.74	371.51	415.49	493.32
(B)	**2,264.10**	**3,459.53**	**2,443.95**	**2,685.93**	**1,810.83**
Movement in right to recover products from customer **(C)**	(1.80)	(5.48)	(1.63)	(2.32)	8.89
Loss of inventory due to floods, considered as exceptional item (refer note 36) **(D)**	(66.10)	-	-	-	-
Change in inventories of finished goods, stock-in-trade and work-in-progress (A-B+C)	**111.95**	**(779.08)**	**240.35**	**(877.42)**	**(474.63)**

Particulars	**Six months period ended 30 September 2023**	**Six months period ended 30 September 2022**	**Year ended 31 March 2023**	**Year ended 31 March 2022**	**Year ended 31 March 2021**
32. Employee benefits expense					
Salaries, wages and bonus	2,931.36	2,703.04	5,407.59	4,676.02	3,946.59
Contributions to provident and other funds *	104.95	100.10	202.87	168.55	151.31
Staff welfare expenses	167.95	144.04	290.87	233.01	147.60
	3,204.26	**2,947.18**	**5,901.33**	**5,077.58**	**4,245.50**

*includes contribution towards provident fund and employee state insurance fund, refer note 43 for details.

Also refer note 56 for employee stock option related expenses

(This space has been intentionally left blank)

Particulars	Six months period ended 30 September 2023	Six months period ended 30 September 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
33. Finance costs					
Interest on financial liabilities (using effective interest rate method):					
- borrowings	218.01	160.23	400.70	84.46	36.96
- security deposit from customers and suppliers	0.76	0.73	1.00	1.47	2.34
- income-tax	3.26	2.03	6.80	47.77	7.33
Interest on lease liability (using effective interest rate method)	35.88	16.21	51.23	29.68	17.25
Other borrowing costs	0.09	-	2.73	3.17	3.56
	258.00	**179.20**	**462.46**	**166.55**	**67.44**
34. Depreciation and amortisation expense					
Depreciation on property, plant and equipment	539.66	470.94	1,010.55	839.78	600.08
Depreciation on right-of-use assets (refer note 54)	50.12	44.40	99.02	77.15	57.24
Amortisation of intangible assets	11.60	9.89	18.52	29.86	41.09
	601.38	**525.23**	**1,128.09**	**946.79**	**698.41**
35. Other expenses					
Consumption of stores and spare parts	158.02	148.13	335.62	327.74	248.01
Power and fuel	850.00	792.20	1,474.08	1,102.17	765.45
Rent (refer note 54)	24.79	13.45	34.76	26.48	37.63
Repairs and maintenance					
Plant and equipments	125.62	136.52	282.08	302.98	185.28
Buildings	30.44	65.41	114.51	70.75	34.74
Others	162.52	193.87	357.53	320.80	213.77
Insurance	28.28	24.60	46.56	37.33	22.48
Rates and taxes	11.46	12.37	31.25	31.91	40.10
Travelling and conveyance	231.27	226.06	503.50	365.06	238.36
Legal and professional expenses	**244.99**	**231.76**	474.61	321.60	286.51
Bad debts	5.13	11.95	24.58	67.74	52.83
Provision for allowances for expected credit losses	56.09	12.89	18.65	132.27	87.11
Provision for demand raised by statutory authorities	-	-	55.00	-	-
Freight and cartage - outward	33.12	50.66	94.20	142.11	74.50
Business promotion	231.19	235.37	354.65	294.51	257.82
Loss on sale of property, plant and equipment	0.63	5.60	1.55	30.88	6.87
Selling and distribution expense	48.92	48.57	95.15	82.64	90.09
Loss on foreign currency transactions	-	53.04	57.72	4.74	-
Corporate social responsibility expense	19.38	18.32	33.72	21.62	39.01
Miscellaneous	290.93	280.39	578.26	482.88	479.46
	2,552.78	**2,561.16**	**4,967.98**	**4,166.21**	**3,160.02**
36. Exceptional items					
Impairment of intangible assets under development (refer note a)	-	-	697.50	-	-
Loss/ (gain) on sale of assets held for sale (refer note 16)	(2.48)	-	47.50	-	-
Losses incurred due to floods (refer note b)	274.14	-	-	-	-
Impairment of goodwill (refer note 52)	-	-	-	129.77	100.00
	271.66	**-**	**745.00**	**129.77**	**100.00**

Notes:

a. During the year ended 31 March 2023, Holding Company had purchased certain ANDA licenses for certain products for ₹ 697.50 million. However, management had re-evaluated the future usage and operational viability of the aforementioned licences basis which these had been decided to be provided for in the restated consolidated financials information for the year ended 31 March 2023.

b. During July 2023, owing to floods in Chandigarh and nearby areas, one of the group company has incurred certain damages to inventory along with property, plant and equipment at factory locations in Derra Bassi and Lalru plants. The management has filed necessary claims for the damages made with the insurance authorities. The bifurcation of losses incurred due to flood is as below :-

(i). Loss of inventory amounting to ₹ 178.29 million
(ii). Loss of property, plant and equipment amounting to ₹ 90.01 million
(iii). Other losses amounting to ₹ 5.84 million

(This space has been intentionally left blank)

	Particulars	Six months period ended 30 September 2023	Six months period ended 30 September 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
37.	**Earnings per equity share (EPS)**					
	Profit/ (loss) attributable to equity shareholders (₹)	(1,564.17)	686.08	948.55	(2,525.36)	1,227.05
	Total number of equity shares outstanding at the end of the period/ year*	14,30,64,350	14,30,64,350	14,30,64,350	14,30,64,350	14,30,64,350
	Weighted average number of equity shares in calculating basic and diluted EPS*	14,30,64,350	14,30,64,350	14,30,64,350	14,30,64,350	14,30,64,350
	Nominal value per share (₹)	2.00	2.00	2.00	2.00	2.00
	Basic and Diluted EPS (₹)#	**(10.93)**	**4.80**	**6.63**	**(17.65)**	**8.58**

* the number of shares outstanding have been adjusted retrospectively to give impact of the issuance of bonus shares and stock split in accordance with Ind AS 33 - Earnings per share.
# EPS for the period 30 September 2023 and 30 September 2022 are not annualised.

39. Acquisitions and disposals

Acquisitions done during 2022-2023
Business combination

During the year, the Holding Company had acquired additional interest wherein control already existed as on the date of acquisition for a consideration of ₹ 16.20 million. Following is a schedule of additional interest acquired.

Cash consideration paid to non-controlling shareholders	
Unosource Pharma Limited	16.20
	16.20
Carrying value of the additional interest as on acquisition date	
Unosource Pharma Limited	-
Difference recognised with in other equity (in accordance with Ind AS 110 - Consolidated Financial Statements)	16.20

Disposals done during 2022-2023
Loss of control acquired previously
During the year, the management as part of its corporate restructuring plan, had disposed off its control in the following subsidiaries. The resultant gain / loss on the disposal of these subsidiaries had been accounted for in accordance with Ind AS 27 and have been disclosed under Schedule 30 to the restated consolidated financial statements.

Name of the entity	Sales consideration	Net assets as on the date of loss of control	Gain on disposal of control
Subsidiary			
AVHA Lifesciences Private Limited	0.11	0.15	-0.04
Delcure Lifesciences Limited	0.05	0.05	-
Akum Impex LLP	0.10	0.10	-
Dhanwantri Vedaresearch LLP	0.09	0.09	-
	0.35	**0.39**	**(0.04)**

Acquisitions done during 2021-2022
Business combination

During the year, the Holding Company has acquired additional interest wherein control already existed as on the date of acquisition for a consideration of ₹ 110.02 million. Following is a schedule of additional interest acquired.

Cash consideration paid to non-controlling shareholders	
Medibox Pharma Private Limited	0.62
Akums Lifesciences Limited*	109.40
	110.02
Carrying value of the additional interest as on acquisition date	
Medibox Pharma Private Limited	2.51
Akums Lifesciences Limited*	5.00
Carrying value of additional interest	7.51
Difference recognised with in other equity (in accordance with Ind AS 110 - Consolidated Financial Statements)	102.51

* held through share application money by other stakeholder in Akums Lifesciences Limited.
Akums Lifesciences Limited merged with Pure and Cure Healthcare Private Limited w.e.f 19 October 2023.

Acquisitions done during 2020-2021
A Business combination
(i) On 12 January 2021, Akums Drugs and Pharmaceuticals Limited, the Holding Company acquired Akums Lifesciences Limited (formerly known as Parabolic Drugs Limited) pursuant to a Corporate Insolvency Resolution process implemented under the Insolvency and Bankruptcy Code, 2016. Fair value of identifiable assets acquired and liabilities assumed as on the date of acquisition is as below:

	Fair value as on the acquisition date
Non-current assets	
Property, plant and equipment	2,038.39
Long-term Investments	1.42
Current assets	
Cash and cash equivalents	5.11
Other current assets	67.02
Total assets (a)	**2,111.94**
Current liabilities	
Other financial liabilities	1,066.33
Other current liabilities	37.66
Total liabilities (b)	**1,103.99**
Fair value of identifiable net assets (c=a-b)	**1,007.95**
Consideration paid for the stake acquired (d)	-
Capital reserve (c-d)	**(1,007.95)**

From the date of acquisition i.e. 12 January 2021 till the end of FY 2020-2021, Akums Lifesciences Limited had contributed ₹ 6.72 million to revenue from operations and a loss of ₹ 37.52 million to consolidated profit before tax on a pre-consolidation adjustments basis. Pursuant to such acquisition, the existing shares of Akums Lifesciences Limited had been extinguished along with other payables to the shareholders.

Pure and Cure Healthcare Limited and Akums Lifesciences Limited had filed a Scheme of Arrangement ('Scheme') under the provisions of Section 230 - 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, for the amalgamation of Akums Lifesciences Limited with and into Pure and Cure Healthcare Private Limited. The Scheme had been approved by NCLT vide its orders dated 24 August 2023 and 17 October 2023 by Chandigarh and New Delhi NCLT respectively, with the appointed date as 1 April 2022. The Scheme has become effective on 19 October 2023 upon filing of the Scheme with the Registrar of Companies. The Scheme does not impact the Restated Consolidated Financial Information of the Group being a merger between wholly owned subsidiaries of the Group.

(ii) **Acquisition of additional interest**
During the year ended 31 March 2021, the Holding Company had acquired additional interest wherein control already existed as on the date of acquisition for a consideration of ₹ 605.00 million. Following is a schedule of additional interest acquired.

Cash consideration paid to non-controlling shareholders	
Akumentis Healthcare Limited	575.00
Medibox Pharma Private Limited	30.00
	605.00
Carrying value of the additional interest as on acquisition date	
Akumentis Healthcare Limited	4.22
Medibox Pharma Private Limited	(9.11)
Carrying value of additional interest	(4.89)
Difference recognised with in other equity (in accordance with Ind AS 110 - Consolidated Financial Statements)	**609.89**

40. Summarised financial information for associate

AUSL Pharma
The Holding Company does not hold any interest as at 30 September 2023 (31 March 2023: Nil ; 30 September 2022: 40% ; 31 March 2022: 40% and 31 March 2021: 40%) in AUSL Pharma engaged in trading of pharmaceutical formulations. The Holding Company disposed off its interest in AUSL pharma on 31 December 2022. The Group's interest in AUSL Pharma was accounted for using the equity method. Following table shows the summarised financial information of the associate:

a) Summarised Balance sheet

Particulars	As at 30 September 2022	As at 31 March 2022	As at 31 March 2021
Particulars			
Current assets	165.52	240.68	331.01
Non-current assets	2.49	3.39	0.88
Current liabilities	(163.59)	(235.40)	(322.20)
Non-current liabilities	-	-	(0.01)
Equity	4.42	8.67	9.68
Group ownership	0.40	0.40	0.40
Equity proportion of the Group ownership*	0.73	2.43	3.87
Carrying amount of the investment	**0.73**	**2.43**	**3.87**
(net of withdrawal made during the year)			

b) Summarised statement of profit and loss

Particulars	Six months period ended 30 September 2022	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from sale of products	151.16	862.81	883.43
(Loss)/ profit for the period/ year	(4.24)	5.07	8.68
Total comprehensive income	(4.24)	5.07	-
Income for the period/ year	(4.24)	5.07	8.68
Group %	40.00%	40.00%	40.00%
Group's share of profit/(loss) for the year from the date of acquisition	**(1.70)**	**2.03**	**3.47**
Add: opening carrying amount of investment amount	2.43	3.87	5.64
Less: withdrawn during the period/ year	-	(3.47)	(5.24)
Carrying amount of the investment*	**0.73**	**2.43**	**3.87**

** During the year ended 31 March 2023, Group has extinguished its partnership rights from the firm on 31 December 2022 when carrying amount of the investment was 2.03 millions.*

41. Contingent liabilities and litigations

	Particulars	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
	Claims against the Group not acknowledged as debt:					
(i)	Demand raised by sales tax (refer note (a) below)	-	-	-	166.69	150.19
(ii)	Income-tax matters (refer note (b) below)	768.80	757.52	768.80	757.47	23.01
(iii)	Product pricing related matters (refer note (c) below)	106.40	44.26	44.26	44.26	44.26
(iv)	Liabilities under export scheme (refer note (d) below)	-	4.28	-	4.28	4.28
(v)	Others (refer note (e), (g) and (h) below)	3.15	2.35	2.35	2.35	3.15

(a) Pursuant to the Industrial Promotion Policy, 2003, which amongst other benefits, provided a concessional central sales tax ("CST") @1% to new industries set up in the state of Uttarakhand, the Holding company commenced manufacturing at its factory units at Haridwar.

Until 30 June 2013, the unit I of the Holding company availed concessional CST of 1% in terms of the relevant notifications of the sales tax department. However, during FY 2012-13, the sales tax department, after making provisional assessment for period 1 April 2011 to 31 December 2012, issued a notice to the Holding company disallowing the concessional CST of 1% due to non-fulfillment of certain conditions as stipulated in the said notification and raised a demand amounting to ₹ 88.78 million for differential CST @1%.

The Holding company contested the aforementioned assessment order before the Joint Commissioner (Appeals), Dehradun, Uttarakhand and the Commercial Tax Tribunal, Uttarakhand. As no relief was granted to the Holding company in the aforesaid proceedings, the Holding company filed an appeal before the Hon'ble High Court, Uttarakhand on 19 August 2013, which admitted the appeal and granted a stay against the demands for the period from April 2010 to June 2013 raised by the sales-tax department, till the final order by the High Court.

Further, the sales tax department made final assessments from 1 April 2010 to 31 March 2014 raising a demand of ₹ 160.62 million (excluding interest demanded at the rate of 15% per annum), which had been contested by the Holding Company and had been stayed by the Hon'ble High Court, Uttrakhand. The Holding Company had deposited ₹ 51.31 million under protest against the said demands.

The Holding Company, as a matter of prudence, had provided an amount of ₹ 175.23 million (including interest of ₹ 28.32 million) for the period March 2010 to March 2013, upto 31 March 2022. The management has classified the balance demand of ₹ 13.70 million (31 March 2021: 136.49 million) and also interest of ₹ 152.99 million (31 March 2021: 136.49 million) (calculated at 15% per annum for the period 01 April 2013 to 31 March 2022) as a contingent liability.

The Hon'ble High Court, Uttrakhand passed an order on 22 July 2022, whereby the previous assessment orders issued by relevant authorities were put aside and committee for determination of total capital investment by the Holding Company has been ordered to be formed which would be issuing a fresh assessment order basis their evaluation.

Considering that all the previous assessment order has been put aside by the Hon'ble Hight Court, Uttrakhand, accordingly the provision as well as contingent liability earlier created for the previously raised assessment orders (presently put aside) has been reversed by the Holding Company in the financial year ended 31 March 2023.

(b) (i) Pursuant to the assessment of certain previous years (AY 2017-18, AY 2018-19 and AY 2020-21), department had raised demands of ₹ 28.85 million (31 March 2022: ₹ 17.70 million, 31 March 2021: ₹ 17.70 million,) on account of:
AY 2017-18: Disallowance of deduction u/s 80IC and 35(2AB) of Income Tax Act, 1961 amounting to ₹ 11.51 million.
AY 2018-19: Disallowance of deduction u/s 35(2AB) and 37(1) of Income Tax Act, 1961 amounting to ₹ 6.26 million.
AY 2020-21: Department had issued an order on 22 March 2023 for levying penalty u/s 270 A of Income Tax Act, 1961 amounting to ₹ 11.08 million.

The matter is pending at CIT (Appeal) level and based on the assessments by the management, consideration of merits of the case and external legal advice, the Holding company believes that there is a fair chance of winning the case. Accordingly, no further provisions, if any, are considered necessary.

(ii) During the financial year ended 31 March 2021, a demand of ₹ 5.11 million was raised for the A.Y. 2018-19 upon one of the Group company by way of intimation under section 143(2) of Income Tax Act on account by reducing the amount of deduction claimed u/s 80IC for the income arise from the operations of Haridwar unit, against which an appeal had been filed by the Group company before the Commissioner of Income Tax (Appeals), New Delhi. Based on the discussion with legal counsel, the Group company believes that there is a fair chance of favorable decision in this case. Therefore, no provision is considered necessary against the same.

(iii) During the financial year ended 31 March 2021, a demand of ₹ 0.20 millions for the A.Y. 2018-19 was raised upon the Company by way of intimation under section 143(1) of Income Tax Act on account of disallowance of expenditure u/s 36(1)(va) in respect of credit towards provident fund, against which an appeal has been filed by the Company before the Commissioner of Income Tax (Appeals), New Delhi.

During the financial year ended 31 March 2023, CIT(A) has passed its order dated 20/12/2022, partially allowing the expense of ₹ 0.246 millions. Remaining amount of ₹ 0.204 millions disallowed by CIT(A) (out of ₹ 0.45 millions). We have accepted the disallowance and made provision for tax against such disallownace in current reporting period.

(iv) During the financial year 2021-22, one of the Group company has received a demand of ₹ 734.44 million vide assessment order passed under section 144 of the Income tax act, 1961 for the AY 2017-18. The aforesaid group company had contested against the order and has filed a writ petition contesting the demand. The petition is pending at Hon'ble High Court of Chandigarh which had granted.
Considering the demand raised pertains to period prior to acquisition and all the statutory liabilities have been given effect in the NCLT order passed on 12 January 2021, the said demand is considered to be non-tenable and hence no provision has been accounted for in the books of accounts.

(v) During the financial year ended 31 March 2023, Pursuant to intimation received u/s 143(1) in against the return filed for F.Y. 2021-22, demand of ₹ 0.40 million has been raised upon one of the Group company on account of mismatch in tax credit. The Group company had filed the application for rectification u/s 154 with the authorities. Basis the advice with internal tax team, the Group company has a good chance of success in this case and accordingly no provision is considered necessary.

During the six months period ended 30 September 2023, based on the order received from Income Tax deparment, the above demand of ₹ 0.40 million has been cancelled and a refund of ₹ 0.12 million has been allowed.

(c) One of the group company is involved in a legal suit in respect of pricing on product with Drug Price Control Orders (u/s 3 of the Essential Commodities Act, 1955). National Pharmaceutical Pricing Authority ('NPPA') has filed a legal case on one of the group company for Rs. 44.26 million on account of increased MRP. NPPA ,vide its order dated 29 November 2023, increased the recovery amount to Rs. 106.40 million on account of levy of interest on overcharged amount for the period from March 2014 to November 2023.

The Group company believes that there is a fair chance of favourable decision in this matter and accordingly, no provision has been considered necessary at these stage.

(d) The Holding Company had saved ₹ 4.28 million as custom duty payable on import purchase of capital goods under the Export Promotion Capital Goods ("EPCG") scheme of the Government of India. The Holding Company has undertaken an export obligation of ₹ 25.69 million against import of capital goods by paying concessional rate of custom duty under EPCG scheme. If the Holding Company is unable to meet this export obligation within six years from issue of authorization letters, i.e., on or before 11 February 2022, the Holding Company was liable to deposit the duty saved amount along with interest for the period. During the year ended 31 March 2023, the Group provided ₹ 55.00 million in the Restated Consolidated Financial Information.

(e) Legal suit filed against the one of the Group company for the defect in the material supplied. The amount of claim filed amounts to ₹ 2.02 million (31 March 2023: ₹ 2.02 million; 30 September 2022 : 2.02 million, 31 March 2022: ₹ 2.02 million; 31 March 2021: ₹ 2.82 million). However, based on discussions with the solicitors, the Management believes that the Group company has a good chance of success in above-mentioned cases and hence, no provision is considered necessary.

(f) As per the approved Resolution Plan of one of the Group company (erstwhile Akums Lifesciences Limited, merger with Pure and Cure Healthcare Private Limited), contingent liabilities (which have / are capable of being crystallized) prior to January 12, 2021 (“Effective Date”) stand extinguished.

Furthermore, the Resolution Plan, among other matters, provides that except to the extent of the amount payable to the relevant Financial Creditors, Operational Creditors and other dues in accordance with the Resolution Plan, all liabilities of the Group company relating in any manner to the period prior to the Effective Date, immediately, irrevocably and unconditionally stand fully and finally discharged and settled and there being no further claims whatsoever, and all the rights of the Financial Creditors, Operational Creditors and Other Creditors to invoke or enforce the same stands waived off. It is provided that any and all legal proceedings initiated before any forum by or on behalf of any Financial Creditors, Operational Creditors (including Governmental Authorities) or any Other Creditors to enforce any rights or claims against the Group company also stands extinguished.

Further, in terms of the Resolution Plan, no Governmental Authority has any further rights or claims against the Group company, in respect of the period prior to the Effective Date and / or in respect of the amounts written off and all legal proceedings initiated before any forum by or on behalf of any Financial Creditors, Operational Creditors (including Governmental Authorities) or any Other Creditors, to enforce any rights or claims against the Group company will immediately, irrevocably and unconditionally stand withdrawn, abated, settled and/or extinguished. Further, the Financial Creditors, Operational Creditors of the Group (including Governmental Authorities) and Other Creditors will have no further rights or claims against the Group company (including but not limited to, in relation to any past breaches by the Group company), in respect of any liability for period prior to the Effective Date, and all such claims shall immediately, irrevocably and unconditionally stand extinguished.

(g) One of the customer has filed counter claim of Rs. 0.80 milllion which was accepted by the arbitrator. One of the Group Company has filed an appeal against the same in Honorable Delhi high Court which has been accepted and is pending before in the court .Based on discussion with the advocate there is a fair chance of favorable decision and hence no provision is considered against the same.

(h) One of the vendor has filed a legal suit against the Holding Company in respect of unpaid amount for the material supplied to the Holding Company. The amount of claim filed amounts to ₹ 0.33 million (previous period/ years: ₹ 0.33 million). However, based on discussions with the solicitors, the management believes that the Holding Company has a likely chance of a favorable outcome and accordingly no provision, if any, has been considered necessary to be recorded in the books of accounts.

(i) Pursuant to judgement by the Hon’ble Supreme Court of India dated 28 February, 2019, it was held that basic wages, for the purpose of provident fund, should include certain allowances which are common for all employees. The Group has assessed possible outcomes of the judgement based on discussions with internal counsel and believes that the ruling would be applicable prospectively and accordingly the management has not provided for liability arising, if any for the past periods. Further, the management believes that it is compliant, in all material aspects, with all the relevant statutory requirement for the current year. Accordingly, the Group believes that this matter will not have any material adverse impact on the financial position of the Group. The Group will, however, continue to monitor and evaluate its position based on future events and developments.

	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
42. Capital and other commitments					
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	947.27	83.37	721.07	654.28	173.29
	947.27	**83.37**	**721.07**	**654.28**	**173.29**

43. Employees benefits

	Six months period ended 30 September 2023	Six months period ended 30 September 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
A. Defined contribution plan					
The amount recognised as expense towards contribution to defined contribution plans for the period/ year is as below:					
(a) Group's contribution to provident fund	94.71	88.83	182.05	149.85	136.97
(b) Group's contribution to Employees' State Insurance Scheme	6.91	7.95	14.33	18.70	14.34
	101.62	**96.78**	**196.38**	**168.55**	**151.31**

	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
B. Defined benefit plan - Gratuity					
Non-current	212.25	179.77	190.96	172.92	143.44
Current	13.99	11.99	12.37	12.07	10.76
	226.24	**191.76**	**203.33**	**184.99**	**154.20**

(i) Changes in the present value of defined benefit obligation recognised in the consolidated balance sheet:

	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Present value of the obligation as at the beginning of the period/ year	203.33	184.99	184.99	154.19	137.19
Interest cost	9.85	6.99	12.77	10.49	8.49
Service cost	20.98	20.24	43.57	38.23	34.72
Benefits paid	(13.97)	(4.72)	(11.95)	(19.61)	(28.69)
Actuarial (gain)/ loss	6.05	(15.74)	(26.05)	1.69	2.49
Present value of the obligation as at end of the period/ year	**226.24**	**191.76**	**203.33**	**184.99**	**154.20**

(ii) Expense recognised in the restated consolidated statement of profit and loss consists of:	Period ended 30 September 2023	Period ended 30 September 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Service cost	20.98	20.24	43.57	38.23	34.72
Interest cost	9.85	6.99	12.77	10.49	8.49
Net impact on restated consolidated profit before tax	**30.83**	**27.23**	**56.34**	**48.72**	**43.21**
Actuarial (gain)/ loss recognised during the period/ year	6.05	(15.74)	(26.05)	1.69	2.49
Total	**36.88**	**11.49**	**30.29**	**50.41**	**45.70**

(iii) Breakup of actuarial (gain)/ loss :	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Actuarial (gain)/ loss from change in financial assumption	1.21	(2.39)	(3.80)	-	-
Actuarial (gain)/ loss from experience adjustment	4.84	(13.35)	(22.25)	1.69	2.49
Total actuarial (gain)/ loss	**6.05**	**(15.74)**	**(26.05)**	**1.69**	**2.49**

(iv) Change in fair value of plan assets
There are no plan assets against the aforesaid liability. Therefore, the return of change in fair value of plan assets has not been given.

(v) Actuarial assumptions	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Discount rate (per annum)	7.33%	7.48%	7.36%	6.79%	7.18%
Future salary increase (per annum)	5.50%	5.50%	5.50%	5.50%	5.50%
Withdrawal rate					
Up to 30 Years	3%	3%	3%	3%	3%
From 31 to 44 years	2%	2%	2%	2%	2%
Above 44 years	1%	1%	1%	1%	1%
Retirement age	58 years	58 years	58 years	58 years	58 years
Mortality rate	100% of IALM (2012-14)	100% of IALM (2012-14)	100% of IALM (2012-14)	100% of IALM (2012-14)	100% of IALM (2012-14)
Average future service (in years)	23.12 years	23.42 years	23.41 years	23.40 years	24.74 years

Notes:
- The discount rate is based on the prevailing market yield of Indian Government bonds as at the reporting date for the estimated terms of obligations.
- The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

(vi) Sensitivity analysis for gratuity liability	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Impact of change in discount rate					
Present value of obligation at the end of the period/ year	226.24	191.76	203.33	184.99	154.20
- Impact due to increase of 0.5 %	(12.35)	(10.40)	(11.11)	(1.55)	(31.17)
- Impact due to decrease of 0.5 %	13.50	11.37	12.15	10.04	39.02
Impact of change in salary increase					
Present value of obligation at the end of the period/ year	226.24	191.76	203.33	184.99	154.20
- Impact due to increase of 0.5 %	12.71	11.38	12.14	2.38	35.53
- Impact due to decrease of 0.5 %	(11.72)	(10.51)	(11.16)	(9.18)	(33.23)

The above sensitivity analysis is based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the restated consolidated statement of assets and liabilities.

Maturity profile of defined benefit obligation (discounted)	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Within next 12 months	13.99	11.99	12.37	12.07	10.76
Between 1-5 years	40.05	40.60	41.22	63.64	37.17
Beyond 5 years	172.20	139.17	149.74	109.28	106.27

(vii) Expected contribution
The expected future employer contributions for defined benefit plan as on 30 September 2023 ₹ 74.43 million; 30 September 2022: ₹ 75.09 million; 31 March 2023: ₹ 72.66 million; 31 March 2022: ₹ 53.71 million and 31 March 2021: ₹ 43.99 million.

(viii) Other long-term employee benefits
Amount as at of 30 September 2023 ₹ 16.29 million; 30 September 2022; ₹ 3.11 million; 31 March 2023; ₹ 10.99 million; 31 March 2022; ₹ 14.74 million and 31 March 2021; ₹ 32.73 million pertains to expense towards compensated absences.

44. Assets pledged as security (refer notes 19 and 23)

	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Current					
Non-financial assets					
Inventories	6,776.02	8,110.63	6,642.64	6,698.70	3,411.99
Other current assets	728.30	1,123.07	1,102.01	697.08	248.25
Financial assets					
Cash and cash equivalents	530.64	245.46	102.40	257.94	-
Other bank balances	1,314.39	548.66	21.54	79.42	127.61
Loans	-	-	73.73	55.00	80.00
Other financial assets	247.80	131.93	129.81	169.32	242.77
Trade receivables*	11,189.99	9,521.89	8,450.87	8,843.12	5,313.99
Total current assets pledged as security	**20,787.14**	**19,681.64**	**16,523.00**	**16,800.58**	**9,424.61**
Non-current (non-financial assets)					
Property, plant and equipment	7,230.37	6,945.12	7,298.67	8,642.43	5,565.15
Capital work-in-progress	101.35	13.59	74.76	5.17	-
Total non-current assets pledged as security	**7,331.72**	**6,958.71**	**7,373.43**	**8,647.60**	**5,565.15**
Total assets pledged as security	**28,118.86**	**26,640.35**	**23,896.43**	**25,448.18**	**14,989.76**

*Total trade receivables pledged at individual company level, amounts to 30 September 2023; ₹ 13,897.46 million; 30 September 2022; ₹ 11,106.62 million; 31 March 2023; ₹ 9,568.35 million; 31 March 2022; ₹ 10,852.70 million and 31 March 2021: ₹ 6,180.22 million but for the purpose of preparation of restated consolidated financial information, total receivables amounts to 30 September 2023; ₹ 11,189.99 million; 30 September 2022; ₹ 9,521.89 million; 31 March 2023; ₹ 8,450.87 million; 31 March 2022: ₹ 8,843.12 million and 31 March 2021: ₹ 5,313.99 million.

45. Related party disclosures

In accordance with Ind AS-24 on related party disclosures where control exist and where transactions have taken place and description of the relationships as identified and certified by the management are as follows:

I. Relationships

(a) Where control exists

Mr Sandeep Jain and Mr Sanjeev Jain exercise joint control over the Holding Company.

(b) Associate

AUSL Pharma (till 31 December 2022)

(c) Key management personnel (KMP)

Name	Designation
Mr. Sandeep Jain	Whole Time Director
Mr. Sanjeev Jain	Whole Time Director
Mr. Basant Kumar Singh	Whole Time Director (from 16 March 2022)
Mr. Deepak Gurudas Haldankar	Whole Time Director (till 31 March 2022)
Mr. Vijay Pal Singh Rawat	Whole Time Director (till 10 October 2020)
Mr. Nand Lal Kalra	Independent Director
Ms. Neena Vivek	Independent Director (till 15 April 2022)
Mr. Kewal Handa	Independent Director (from 16 March 2022)
Ms. Matangi Gowrishankar	Independent Director (from 16 March 2022)
Mr. N.D. Sachdeva	Independent Director (till 20 June 2020)
Mr. Amit Varma	Nominee Director (from 13 November 2019)
Mr. Dharamvir Malik	Company Secretary #
Mr. Sumeet Sood	Chief Financial Officer # (from 14 February 2022)
Mr. Vinod Raheja	Chief Financial Officer # (from 1 July 2020 till 4 January 2022)

(d) Relatives of KMP*

Mr. D.C. Jain
Ms. Arushi Jain
Mr. Kanishk Jain
Mr. Manan Jain
Ms. Archana Jain
Ms. Lata Jain

(e) Entities where significant influence is exercised by KMP and/or their relatives*

Akums Health and Education Society
Akums Foundation
Welcure Pharmaceuticals Private Limited
Akome Lifecare Private Limited (formerly Sanjain Lifecare Private Limited) (from 11 February 2022)
German Remedies Lifesciences Limited
American Remedies Lifesciences Limited
Dhanwantri Vedaresearch LLP (from 1 October 2022)

*with whom the transactions have occurred during the period/ year
as per Companies Act, 2013

(This space has been intentionally left blank)

38A The following entities are considered in the preparation of Restated Consolidated Financial Information:

S.No.	Name of Company	Principal Activities	Immediate holding company	Country of incorporation and principal place of business	% Ownership interest - Proportion of ownership interest and voting power held by the Group				
					As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
	Subsidiaries of Holding Company								
1	Pure and Cure Healthcare Private Limited*	Contact manufacturing of pharmaceutical products and manufacturing of API	Akums Drugs and Pharmaceuticals Limited	India	100%	100%	100%	100%	100%
2	Malik Lifesciences Private Limited	Contract manufacturing of pharmaceutical products	Akums Drugs and Pharmaceuticals Limited	India	100%	100%	100%	100%	100%
3	Maxcure Nutravedics Limited	Contract manufacturing of pharmaceutical products and trading of raw materials & packing materials	Akums Drugs and Pharmaceuticals Limited	India	100%	100%	100%	100%	100%
4	Akumentis Healthcare Limited#	Trading of pharmaceutical formulation	Akums Drugs and Pharmaceuticals Limited	India	91.49%	91.49%	91.49%	91.49%	91.49%
5	Unosource Pharma Limited	Trading of pharmaceutical formulation (exports)	Akums Drugs and Pharmaceuticals Limited	India	100%	100%	100%	99.89%	99.89%
6	Akums Healthcare Limited	Contract manufacturing of pharmaceutical products	Akums Drugs and Pharmaceuticals Limited	India	100%	100%	100%	100%	100%
7	Upadhrish Reserchem LLP	Contract manufacturing and testing of pharmaceutical products	Akums Drugs and Pharmaceuticals Limited	India	99.93%	99.93%	99.93%	99.93%	99.93%
8	Amazing Research Laboratories Limited	Trading of pharmaceutical formulation	Akums Drugs and Pharmaceuticals Limited	India	100%	100%	100%	100%	100%
9	May and Baker Pharmaceuticals Limited	Trading of pharmaceutical formulation	Akums Drugs and Pharmaceuticals Limited	India	100%	100%	100%	100%	100%
10	Nicholas Healthcare Limited	Trading of pharmaceutical formulation	Akums Drugs and Pharmaceuticals Limited	India	100%	100%	100%	100%	100%
11	Plenteous Pharmaceuticals Limited	Trading of pharmaceutical formulation	Akums Drugs and Pharmaceuticals Limited	India	100%	100%	100%	100%	100%
12	Sarvagunaushdhi Private Limited	Trading of pharmaceutical formulation	Akums Drugs and Pharmaceuticals Limited	India	100%	100%	100%	100%	100%
13	Qualymed Pharma Private Limited (w.e.f. 2 May 2023)	Contract manufacturing of pharmaceutical products	Akums Drugs and Pharmaceuticals Limited	India	100%	-	-	-	-
14	Burroughs Welcome Pharmacia Private Limited (w.e.f. 30 September 2021)	Trading of pharmaceutical formulation	Akums Drugs and Pharmaceuticals Limited	India	100%	100%	100%	100%	-
15	AVHA Lifesciences Private Limited (till 28 February 2023)	Trading of pharmaceutical formulation	Akums Drugs and Pharmaceuticals Limited	India	-	100%	-	100%	100%
16	Delcure Lifesciences Limited (till 18 January 2023)	Trading of pharmaceutical formulation	Akums Drugs and Pharmaceuticals Limited	India	-	100%	-	100%	100%
17	Akum Impex LLP (till 30 September 2022)	Trading of pharmaceutical formulation	Akums Drugs and Pharmaceuticals Limited	India	-	-	-	99.98%	99.98%
18	Abbott Pharma Limited (upto 28 March 2022)	Trading of pharmaceutical formulation	Akums Drugs and Pharmaceuticals Limited	India	-	-	-	-	100%
	Step down subsidiaries of Holding Company								
19	Medibox Pharma Private Limited	Trading of pharmaceutical formulation	Maxcure Nutravedics Limited	India	100%	100%	100%	100%	83.91%
20	Cure Sure Pharma (Dissolved on 31 March 2022)	Manufacturing of pharmaceuticals formulation	Akumentis Healthcare Limited	India	-	-	-	-	91.50%
21	Parabolic Research Labs Limited (till 17 March 2023)	Trading of pharmaceutical formulation	Akums Lifesciences Limited	India	-	100%	-	100%	100%
22	Ziven Lifesciences Limited (till 17 March 2023)	Trading of pharmaceutical formulation	Akums Lifesciences Limited	India	-	100%	-	100%	100%
23	Dhanwantri Vedaresearch LLP (till 30 September 2022)	Trading of pharmaceutical formulation	Sarvagunaushdhi Private Limited	India	-	-	-	90%	90%
	Associate of Holding Company								
24	AUSL Pharma (till 31 December 2022)	Trading of pharmaceutical formulation	Akums Drugs and Pharmaceuticals Limited	India	-	40%	-	40%	40%

* Akums Lifesciences Limited (erstwhile subsidiary of the Holding company) has been merged with Pure and Cure Healthcare Private Limited w.e.f 19 October 2023, refer note 39.

including investment done in compulsory convertible preference shares issued by Akumentis Healthcare Limited.

38B Disclosure of interest in Subsidiaries and Non Controlling Interest

Summarized financial information for subsidiaries that have non-controlling interests that are material to the Company :-
(amounts before inter-company eliminations)

	Akumentis Healthcare Limited				
Particulars (Balance sheet)	**As at 30 September 2023**	**As at 30 September 2022**	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**
Current assets	2,020.67	1,387.74	1,586.86	1,138.37	791.09
Non current assets	202.42	181.18	172.02	195.92	197.71
Current liabilities	1,248.45	1,082.88	985.35	906.27	768.68
Non current liabilities	50.25	52.40	45.16	51.72	39.17
Equity Interest attributable to the equity holders of the Company	924.39	433.62	728.37	376.29	180.96
Particulars (Profit or loss)	**Six months period ended 30 September 2023**	**Six months period ended 30 September 2022**	**Year ended 31 March 2023**	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Revenue from operations	2,094.23	1,927.76	3,868.31	3,389.11	2,333.54
Other income	41.00	15.05	39.97	31.36	36.94
Expenses	1,861.50	1,815.04	3,404.44	3,099.66	2,064.47
Exceptional items	-	-	-	31.04	-
Tax expense	76.08	71.52	155.01	93.96	96.82
Profit for the period/ year	**197.65**	**56.25**	**348.83**	**195.81**	**209.19**
Profit attributable to the equity holders of the Company	180.87	51.48	319.21	179.19	191.43
Profit attributable to the non controlling interest	16.78	4.77	29.62	16.62	17.76
Profit for the period/ year	**197.65**	**56.25**	**348.83**	**195.81**	**209.19**
Items that will not be reclassified to profit and loss	(1.62)	1.12	3.25	(0.48)	(7.95)
Other comprehensive income	**(1.62)**	**1.12**	**3.25**	**(0.48)**	**(7.95)**
Other comprehensive income attributable to the equity holders of the Company	(1.49)	1.02	2.97	(0.44)	(7.28)
Other comprehensive income attributable to non controlling interest	(0.14)	0.09	0.28	(0.04)	(0.68)
Other comprehensive income	**(1.63)**	**1.11**	**3.25**	**(0.48)**	**(7.96)**
Total other comprehensive income attributable to the equity holders of the Company	179.39	52.50	322.19	178.75	184.16
Total other comprehensive income attributable to non controlling interest	16.64	4.86	29.89	16.58	17.08
Total other comprehensive income/ (loss)	**196.03**	**57.36**	**352.08**	**195.33**	**201.24**
Ownership held by non-controlling interests	8.51%	8.51%	8.51%	8.51%	8.51%
Accumulated non-controlling interest at the end of the period/ year	**78.49**	**36.81**	**61.85**	**31.95**	**15.36**
Net cash inflow from operating activities	332.67	79.81	467.85	68.47	83.44
Net cash inflow / (outflow) from investing activities	(287.73)	(119.56)	(502.48)	0.50	(161.81)
Net cash inflow / (outflow) from financing activities	(16.71)	(8.35)	(21.17)	(17.75)	(15.14)
Net Cash inflow / (outflow)	**28.23**	**(48.10)**	**(55.80)**	**51.22**	**(93.51)**

II. Summary of related party transactions [refer note 45(I) above, for relationships of related parties] -

Particulars	For the six months period ended		For the year ended		
	30 September 2023	30 September 2022	31 March 2023	31 March 2022	31 March 2021
(a) Transactions during the period/ year					
Rent paid					
KMP's					
Mr. D.C Jain	0.28	0.28	0.56	0.56	0.56
Mr. Sandeep Jain	12.13	12.64	25.43	24.41	23.87
Mr. Sanjeev Jain	11.88	12.10	24.27	23.05	22.93
Ms. Lata Jain	0.23	0.23	0.46	0.46	0.48
Ms. Archana Jain	0.34	0.34	0.67	0.67	0.67
Entities where significant influence is exercised by KMP and/or their relatives					
Akome Lifecare Private Limited	34.93	-	34.84	-	-
Corporate social responsibility					
Entities where significant influence is exercised by KMP and/or their relatives					
Akums Foundation	-	29.66	65.44	6.78	-
Akums Heath and Education Society	-	-	4.00	10.52	-
Professional charges paid					
KMP's					
Mr. D.C Jain	3.25	2.73	5.49	5.49	5.40
Remuneration paid #					
KMP's					
Mr. Sanjeev Jain	21.50	18.62	38.00	33.50	33.18
Mr. Sandeep Jain	21.50	18.62	38.00	33.50	33.18
Mr. Basant Kumar Singh	2.31	2.47	3.49	0.20	-
Mr. Deepak Gurudas Haldankar	-	-	-	9.65	2.06
Mr. Vinod Raheja	-	-	-	14.14	7.99
Mr. Sumeet Sood	9.61	6.17	13.23	1.66	-
Ms. Arushi Jain	3.47	3.15	6.30	3.50	6.00
Mr. Kanishk Jain	1.88	3.15	6.30	6.00	5.99
Mr. Manan Jain	0.15	-	-	-	-
Ms. Lata Jain	2.27	2.27	4.60	4.38	-
Ms. Archana Jain	2.49	2.27	4.60	4.38	-
Mr. Dharamvir Malik	1.21	1.01	2.11	2.08	2.07
Inter-corporate loan repaid					
Associate					
AUSL Pharma	-	7.50	55.00	25.00	8.50
Interest received					
Associate					
AUSL Pharma	-	3.16	4.27	8.85	10.37
Sale of goods and others					
Entities where significant influence is exercised by KMP and/or their relatives					
Akums Heath and Education Society	0.02	3.95	3.96	3.83	0.24
Akums Foundation	3.94	61.08	61.18	0.89	0.01
Akome Lifecare Private Limited	-	-	0.04	-	-
Associate					
AUSL Pharma	-	3.53	3.53	17.14	53.77
Sale of property, plant and equipment					
Entities where significant influence is exercised by KMP and/or their relatives					
Akome Lifecare Private Limited	0.37	-	271.00	-	-
Service income					
Entities where significant influence is exercised by KMP and/or their relatives					
Akome Lifecare Private Limited	-*	-*	-*	-	-
Akums Foundation	-*	-*	-*	-	-
Associate					
AUSL Pharma	-	-*	-*	-	-
Purchase of goods and others					
Associate					
AUSL Pharma	-	-	0.04	18.89	34.14
Entities where significant influence is exercised by KMP and/or their relatives					
Akome Lifecare Private Limited	0.65	-	1.86	-	-
Expenses incurred on behalf of group company					
Associate					
AUSL Pharma	-	0.22	0.22	0.10	-
Entities where significant influence is exercised by KMP and/or their relatives					
Akome Lifecare Private Limited	1.39	0.62	0.62	-	-
Others	-	-*	-*	-	-

(This space has been intentionally left blank)

II. Summary of related party transactions [refer note 45(I) above, for relationships of related parties] -

Particulars	For the six months period ended		For the year ended		
	30 September 2023	30 September 2022	31 March 2023	31 March 2022	31 March 2021
Profit/ (loss) share from investment in associate					
AUSL Pharma	-	(1.70)	(2.03)	2.03	3.47
Director sitting fees					
KMP's					
Mr. Kewal Handa	0.70	0.50	2.40	0.08	-
Mr. Nand Lal Kalra	0.36	0.22	0.47	0.19	0.14
Ms. Neena Vivek	-	0.03	-	0.18	0.12
Mr. Sandeep Jain	-	-	-	-*	-
Mr. Kanishk Jain	-	-	-	-*	0.01
Ms. Arushi Jain	-	-	-	0.05	0.10
Mr. Dharamvir Malik	0.03	0.02	0.04	0.05	0.10
Ms. Matangi Gowrishankar	0.70	0.40	2.20	-	-
Mr. Manan Jain	-	-*	-*	-	-
Royalty expense					
Entities where significant influence is exercised by KMP and/or their relatives					
Welcure Pharmaceuticals Private Limited	0.06	-	0.12	0.12	0.12
Sale of non-current investments					
Entities where significant influence is exercised by KMP and/or their relatives					
Dhanwantri Vedaresearch LLP	-	-	0.16	-	-
(b) <u>Balance outstanding as at period/ year end **</u>					
Trade receivable					
Associate					
AUSL Pharma	-	-*	-	12.91	-
Entities where significant influence is exercised by KMP and/or their relatives					
Akums Health and education society	0.46	-	1.61	-	0.09
Akum Impex LLP	-*	-	-	-	-
Akums Foundation	4.39	-*	0.01	-	0.01
Akome Lifecare Private Limited	1.43	-	0.61	-	-
Trade payable					
Associate					
AUSL Pharma	-	-	-	0.01	8.91
Other payable					
KMP's					
Mr. D.C Jain	0.06	0.23	-	-	-
Security deposit					
KMP's					
Sandeep Jain	5.00	5.00	5.00	5.00	5.00
Sanjeev Jain	5.00	5.00	5.00	5.00	5.00
Inter-corporate loan given (including interest receivable)					
Associate					
AUSL Pharma	-	47.93	-	55.00	80.00

*(*rounded off to nil)*
Note: Also refer to the note 23.1 which describes borrowings that are secured against the personal guarantee from certain directors.
excludes the post employment benefits and other long term benefits as being done on lumpsum for all the employees of the Group.
Apart from the above, the Group has taken personal guarantees from the directors for the loans taken from the banks.
Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
** Outstanding balances at reporting period end are unsecured and moreover, are not material to the Group.

(This space has been intentionally left blank)

46. Disclosure required under Ind AS 115 - Revenue from customers

A Disaggregation of revenue:

	Six months period ended 30 September 2023	Six months period ended 30 September 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Sale of products					
Revenue from sale of goods - manufactured	18,612.30	15,743.09	31,016.86	31,441.00	21,381.54
Revenue from sale of goods - traded goods	1,691.47	2,048.80	3,405.27	4,374.96	5,014.46
Other operating revenue					
Job work	210.46	216.85	325.51	652.38	555.67
Testing and other charges	896.72	83.39	1,592.76	86.83	185.08
Scrap sales	100.43	121.50	207.80	163.76	89.54
	21,511.38	**18,213.63**	**36,548.20**	**36,718.93**	**27,226.29**

Refer note 50 for segment revenue.

B Contract balances

The following table provides information about receivables and contract liabilities from contract with customers:

	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Contract liabilities					
Advance received from customers	1,132.98	1,491.04	1,084.70	1,450.50	173.89
Refund liabilities	390.87	425.15	377.22	383.49	364.08
Total contract liabilities	**1,523.85**	**1,916.19**	**1,461.92**	**1,833.99**	**537.97**
Receivables					
Right to recover products from customers	44.95	47.00	43.15	41.52	39.19

C Significant changes in the contract liabilities balances during the year are as follows:

Particulars	As at 30 September 2023		As at 30 September 2022		As at 31 March 2023		As at 31 March 2022		As at 31 March 2022	
	Contract liabilities		Contract liabilities		Contract liabilities		Contract liabilities		Contract liabilities	
	Advances from customers	Refund liabilities	Advances from customers	Refund liabilities	Advances from customers	Refund liabilities	Advances from customers	Refund liabilities	Advances from customers	Refund liabilities
Opening balance	1,084.70	377.22	1,450.50	383.49	1,450.50	383.49	173.89	364.08	630.11	420.41
Addition during the period/ year	305.59	13.65	231.04	41.66	1,084.70	(6.27)	1,450.50	19.41	173.89	(56.33)
Revenue recognised during the period/ year	257.31	-	190.50	-	1,450.50	-	173.89	-	630.11	-
Closing balance	**1,132.98**	**390.87**	**1,491.04**	**425.15**	**1,084.70**	**377.22**	**1,450.50**	**383.49**	**173.89**	**364.08**

Receivable is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. The amounts receivable from customers become due after expiry of credit period which on an average is less than 30 days. There is no significant financing component in any transaction with the customers.

The Group does not have any remaining performance obligation as contracts executed for sale of goods are for a short duration. There are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated. In respect of sales with a right to return, the Group recognises a provision for right of return (refund liabilities) which is measured based on the Group's estimate of expected sales returns.

47. Financial instruments

A Financial instruments by category

The carrying value of financial instruments by categories were as follows:

Particulars	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Financial assets carried at amortised cost					
Trade receivables	11,189.99	9,521.89	8,450.87	8,843.12	5,313.99
Cash and cash equivalents	1,176.30	458.67	516.08	551.39	220.67
Other bank balances	1,288.14	619.03	983.81	477.08	458.01
Loans	-	119.22	73.73	55.00	80.00
Other financial assets	610.96	632.86	496.50	602.04	599.05
Total financial assets	**14,265.39**	**11,351.67**	**10,520.99**	**10,528.63**	**6,671.72**
Financial assets carried at fair value through profit and loss					
Investments *	1.43	1.43	1.43	1.43	191.52
Total financial assets	**14,266.82**	**11,353.10**	**10,522.42**	**10,530.06**	**6,863.24**
Financial liabilities carried at amortised cost					
Borrowings	7,077.51	7,232.52	5,369.73	3,579.53	970.64
Trade payables	6,108.69	6,235.87	5,671.39	5,896.66	3,414.14
Lease liabilities	765.16	353.66	821.21	370.30	329.11
Other financial liabilities	951.19	876.34	908.88	831.23	943.92
Financial liabilities carried at fair value through profit or loss					
Liability arising out of put option - refer note 20.1	12,612.50	10,252.46	10,076.04	10,515.74	5,574.00
Total financial liabilities	**27,515.05**	**24,950.85**	**22,847.25**	**21,193.46**	**11,231.81**

The carrying amount of trade receivables, trade payables, loans, investments, borrowings, lease liabilities, other financial assets/ liabilities and cash and cash equivalent are considered to be the same as their fair values, due to short-term in nature.

The carrying value of the amortised financial assets and liabilities approximate to the fair value on the respective reporting dates.

* excluding associate

B. Fair values hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

The categories used are as follows:
Level 1: Quoted prices (unadjusted) for identical instruments in an active market;
Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and
Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

B.1 Financial assets measured at fair value - recurring fair value measurements

Particulars	Period	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss					
Investment in equity instruments	30 September 2023	-	-	1.43	1.43
	30 September 2022	-	-	1.43	1.43
	31 March 2023	-	-	1.43	1.43
	31 March 2022	-	-	1.43	1.43
	31 March 2021	-	190.09	1.43	191.52

B.2 Financial liabilities measured at fair value - recurring fair value measurements

Particulars	Period	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit and loss					
Liability arising out of put option - refer note 20.1	30 September 2023	-	-	12,612.50	12,612.50
	30 September 2022	-	-	10,252.46	10,252.46
	31 March 2023	-	-	10,076.04	10,076.04
	31 March 2022	-	-	10,515.74	10,515.74
	31 March 2021	-	-	5,574.00	5,574.00

B.3 Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:
(a) for current investment directly observable market inputs, other than level 1 inputs have been used.
(b) for liability arising on account of put option, adjusted discounted cash flow method (income approach) has been used.
(c) Investment in equity instruments are measure at fair valued through profit or loss. As there is no significant difference between carrying value and fair value, hence, valued at cost.

(This space has been intenionally left blank)

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Particulars	Fair value					Significant unobservable inputs
	As at 30 September 2023	As at 30 September 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021	
Liability arising out of put option - refer note 20.1	12,612.50	10,252.46	10,076.04	10,515.74	5,574	Growth rate & discount rate

B.4 Sensitivity analysis

Description	Six months period ended 30 September 2023	Six months period ended 30 September 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Impact on liability arising on account of put options fair value if change in growth rate					
- Impact due to increase of 0.5%	1,128.08	585.30	607.03	444.43	235.58
- Impact due to decrease of 0.5%	(956.79)	(517.55)	(541.27)	(505.35)	(267.87)
Impact on liability arising on account of put options fair value if change in discount rate					
- Impact due to increase of 0.5%	(1,326.37)	(791.07)	(742.25)	(612.45)	(324.64)
- Impact due to decrease of 0.5%	1,566.94	898.90	835.87	696.51	369.19

B.5 The following table presents the changes in put option fair value measured in level 3 for the periods ended 30 September 2023, 30 September 2023, 31 March 2023, 31 March 2022 and 31 March 2021

Particulars	Liability arising out of put option - refer note 20.1
As at 1 April 2023	**10,076.04**
Add: fair value changes during the period	2,536.46
As at 30 September 2023	**12,612.50**
As at 1 April 2022	**10,515.74**
Add: fair value changes during the period	(263.28)
As at 30 September 2022	**10,252.46**
As at 1 April 2020	**5,035.77**
Add: fair value changes during the year	538.23
As at 1 April 2021	**5,574.00**
Add: fair value changes during the year	4,941.74
As at 31 March 2022	**10,515.74**
Add: fair value changes during the year	(439.69)
As at 31 March 2023	**10,076.04**

B.6 The following table presents the changes in investment in equity instruments measured at level 3 for the periods ended on 30 September 2023, 30 September 2022, 31 March 2023, 31 March 2022 and 31 March 2021:

Particulars	Investment in equity instruments
As at 30 September 2023, 30 September 2022, 31 March 2023, 31 March 2022 and 31 March 2021	**1.43**

Valuation inputs and relationships to fair value

Particulars	Valuation Technique	Significant unobservable inputs	Inter relationship between significant unobservable inputs and fair value measurement
Investment in equity instruments (unquoted)	Fair valued through profit or loss. As there is no significant difference between carrying value and fair value, hence, valued at cost.	It is a SPV contract for Effluent treatment plant.	The estimated value would increase/(decrease) in profit before tax on completion of significant part of SPV Contract.

B.7 Financial risk management

Financial risk management objectives and policies

The Group’s principal financial liabilities comprise borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Group’s operations. The Group’s principal financial assets include loans, investments, trade and other receivables, cash and cash equivalents and other financial assets.

The Group is exposed to market risk, credit risk and liquidity risk. The Group’s management oversees the management of these risks and also ensure that the Group’s financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group’s policies and risk objectives.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Financial risk factors

The Group's activities expose it to a variety of financial risks:
a) Market risk
b) Credit risk
c) Liquidity risk
The primary market risk to the Group is foreign exchange risk. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

(i) Credit risk management

The Group assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

(i) Low credit risk
(ii) Moderate credit risk

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the entities of the Group. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in the consolidated statement of profit and loss.

The Company provides for expected credit loss based on the following:

Basis of categorisation	Asset class exposed to credit risk	Provision for expected credit loss
Low credit risk	Loans, cash and cash equivalents, other bank balances, Investments, financial assets measured at amortised cost	12 month expected credit loss
Moderate credit risk	Trade receivables	Trade receivables - Life time expected credit loss

Financial assets that expose the entity to credit risk –

30 September 2023

Particulars	Estimated gross amount at default	Expected credit losses	Carrying amount net of impairment provision
Low credit risk			
Cash and cash equivalents	1,176.30	-	1,176.30
Other bank balances	1,288.14	-	1,288.14
Investments	1.43	-	1.43
Other financial assets	610.96	-	610.96
Moderate credit risk			
Trade receivables	11,388.71	(198.72)	11,189.99
Total	**14,465.54**	**(198.72)**	**14,266.82**

30 September 2022

Particulars	Estimated gross amount at default	Expected credit losses	Carrying amount net of impairment provision
Low credit risk			
Cash and cash equivalents	458.67	-	458.67
Other bank balances	619.03	-	619.03
Investments	1.43	-	1.43
Loans	119.22	-	119.22
Other financial assets	632.86	-	632.86
Moderate credit risk			
Trade receivables	9,669.72	(147.83)	9,521.89
Total	**11,500.93**	**(147.83)**	**11,353.10**

31 March 2023

Particulars	Estimated gross amount at default	Expected credit losses	Carrying amount net of impairment provision
Low credit risk			
Cash and cash equivalents	516.08	-	516.08
Other bank balances	983.81	-	983.81
Investments	1.43	-	1.43
Loans	73.73	-	73.73
Other financial assets	496.50	-	496.50
Moderate credit risk			
Trade receivables	8,598.35	(147.48)	8,450.87
Total	**10,669.90**	**(147.48)**	**10,522.42**

31 March 2022

Particulars	Estimated gross amount at default	Expected credit losses	Carrying amount net of impairment provision
Low credit risk			
Cash and cash equivalents	551.39	-	551.39
Other bank balances	477.08	-	477.08
Investments	1.43		1.43
Loans	55.00	-	55.00
Other financial assets	602.04	-	602.04
Moderate credit risk			
Trade receivables	9,012.49	(169.37)	8,843.12
Total	**10,699.43**	**(169.37)**	**10,530.06**

31 March 2021

Particulars	Estimated gross amount at default	Expected credit losses	Carrying amount net of impairment provision
Low credit risk			
Cash and cash equivalents	220.67	-	220.67
Other bank balances	458.01	-	458.01
Investments	1.43	-	1.43
Loans	80.00	-	80.00
Other financial assets	599.05	-	599.05
Moderate credit risk			-
Trade receivables	5,452.97	(138.98)	5,313.99
Total	**6,812.13**	**(138.98)**	**6,673.15**

All of the entity's financial assets (other than trade receivables) measured at amortised cost, are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months' expected losses. Management consider 'low credit risk' for cash and cash equivalents and other bank balances being maintained with scheduled banks. Other instruments are considered to have low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.
The Company assumes increase in credit risk since initial recognitionwhen financial assets are more than 30 days past due.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.
Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 180 days past due.
Impairment losses on trade receivables and contract assets are presented as net impairment losses. Subsequent recoveries of amounts previously written off are credited against the same line item.

The carrying amounts of financial assets above represents the maximum exposure to credit risk.

(ii) Expected credit loss for trade receivables under simplified approach

As at 30 September 2023	**Gross carrying amount**	**% of expected credit losses**	**Allowance for expected credit losses**	**Carrying amount net of loss allowance**
Amount not yet due	6,003.23	0.00%	-	6,003.23
Between one to six month overdue	4,297.31	0.02%	(0.85)	4,296.46
Between six month to one year overdue	440.03	1.17%	(5.13)	434.90
Greater than one year overdue	648.14	29.74%	(192.74)	455.40
Total	**11,388.71**		**(198.72)**	**11,189.99**

As at 30 September 2022	**Gross carrying amount**	**% of expected credit losses**	**Allowance for expected credit losses**	**Carrying amount net of loss allowance**
Amount not yet due	3,698.64	0.00%	-	3,698.64
Between one to six month overdue	5,108.08	0.04%	(2.09)	5,105.99
Between six month to one year overdue	302.32	0.79%	(2.39)	299.93
Greater than one year overdue	560.68	25.57%	(143.35)	417.33
Total	**9,669.72**		**(147.83)**	**9,521.89**

As at 31 March 2023	**Gross carrying amount**	**% of expected credit losses**	**Allowance for expected credit losses**	**Carrying amount net of loss allowance**
Amount not yet due	4,668.07	0.00%	-	4,668.07
Between one to six month overdue	2,420.64	0.29%	(6.92)	2,413.72
Between six month to one year overdue	936.42	0.14%	(1.32)	935.10
Greater than one year overdue	573.22	24.29%	(139.24)	433.98
Total	**8,598.35**		**(147.48)**	**8,450.87**

As at 31 March 2022	**Gross carrying amount**	**% of expected credit losses**	**Allowance for expected credit losses**	**Carrying amount net of loss allowance**
Amount not yet due	4,746.76	0.00%	-	4,746.76
Between one to six month overdue	3,410.32	0.02%	(0.64)	3,409.68
Between six month to one year overdue	418.84	0.19%	(0.79)	418.05
Greater than one year overdue	436.57	38.47%	(167.94)	268.63
Total	**9,012.49**		**(169.37)**	**8,843.12**

As at 31 March 2021	**Gross carrying amount**	**% of expected credit losses**	**Allowance for expected credit losses**	**Carrying amount net of loss allowance**
Between one to six month overdue	4,739.76	0.01%	(0.36)	4,739.40
Between six month to one year overdue	381.43	0.08%	(0.29)	381.14
Greater than one year overdue	331.78	41.69%	(138.33)	193.45
Total	**5,452.97**		**(138.98)**	**5,313.99**

Reconciliation of loss provision – Trade receivables

Particulars	**Total**
Loss allowance on 1 April 2023	**(147.48)**
Changes in provision (net)	(56.09)
Provision reversed	4.85
Loss allowance as on 30 September 2023	**(198.72)**
Loss allowance on 1 April 2022	**(169.37)**
Changes in provision (net)	(12.89)
Provision reversed	34.43
Loss allowance as on 30 September 2022	**(147.83)**
Loss allowance on 1 April 2020	(57.83)
Changes in provision (net)	(81.15)
Loss allowance on 1 April 2021	**(138.98)**
Changes in provision (net)	(132.27)
Provision reversed	101.88
Loss allowance on 31 March 2022/ 1 April 2022	**(169.37)**
Changes in provision (net)	(18.65)
Provision reversed	40.54
Loss allowance on 31 March 2023	**(147.48)**

(d) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the entity's liquidity position and cash and cash equivalents on the basis of expected cash flows. The entity takes into account the liquidity of the market in which the entity operates.

i. Financing arrangements (un-utilised)

Particulars	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Working capital facility	5,905.11	3,184.93	5,884.11	2,335.75	3,634.50
Term loan facility *	1,060.60	1,050.00	1,050.00	600.00	-

* During the year ended 31 March 2023, term loan facility includes unutilised term loan facility from Citi Bank amounting ₹ 350.00 million which has been futher surrendered by one of the group company on 11 May 2023.

ii. Maturities of financial liabilities (excluding finance cost obligation for future payments, as applicable)

The tables below analyse the Group's financial liabilities into relevant maturity profile based on their contractual maturities.

30 September 2023	Less than 1 year	1 - 5 years	More than 5 years	Total
Non-derivatives				
Borrowings	6,067.55	1,009.96	-	7,077.51
Trade payable	6,108.69	-	-	6,108.69
Lease liabilities	56.97	149.32	558.87	765.16
Other financial liabilities	659.91	12,903.78	-	13,563.69
Total	**12,893.12**	**14,063.06**	**558.87**	**27,515.05**

30 September 2022	Less than 1 year	1 - 5 years	More than 5 years	Total
Non-derivatives				
Borrowings	5,863.20	1,369.32	-	7,232.52
Trade payable	6,235.87	-	-	6,235.87
Lease liabilities	72.15	172.20	109.31	353.66
Other financial liabilities	611.09	10,517.71	-	11,128.80
Total	**12,782.31**	**12,059.23**	**109.31**	**24,950.85**

31 March 2023	Less than 1 year	1 - 5 years	More than 5 years	Total
Non-derivatives				
Borrowings	4,214.77	1,154.96	-	5,369.73
Trade payable	5,671.39	-	-	5,671.39
Lease liabilities	72.41	183.05	565.75	821.21
Other financial liabilities	628.10	10,356.82	-	10,984.92
Total	**10,586.67**	**11,694.83**	**565.75**	**22,847.25**

31 March 2022	Less than 1 year	1 - 5 years	More than 5 years	Total
Non-derivatives				
Borrowings	3,446.20	133.33	-	3,579.53
Trade payable	5,896.66	-	-	5,896.66
Lease liabilities	66.22	203.92	100.16	370.30
Other financial liabilities	702.09	10,644.88	-	11,346.97
Total	**10,111.17**	**10,982.13**	**100.16**	**21,193.46**

31 March 2021	Less than 1 year	1 - 5 years	More than 5 years	Total
Non-derivatives				
Borrowings	959.03	11.61	-	970.64
Trade payable	3,414.14	-	-	3,414.14
Lease liabilities	50.44	278.67	-	329.11
Other financial liabilities	427.49	6,090.43	-	6,517.92
Total	**4,851.10**	**6,380.71**	**-**	**11,231.81**

48. Taxes

Income tax expense in the restated consolidated statement of profit and loss comprises:

Particulars	Six months period ended 30 September 2023	Six months period ended 30 September 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Current tax					
- current year/ period	598.64	204.97	781.30	690.45	552.99
- tax for earlier years	15.53	18.69	16.09	(53.26)	-
Deferred tax credit	216.49	(79.90)	(272.59)	(60.42)	(64.73)
Total	**830.66**	**143.76**	**524.80**	**576.77**	**488.26**
Tax effect on other comprehensive income(OCI)	(2.04)	3.78	5.99	(0.81)	(1.22)
Tax expense	**828.62**	**147.54**	**530.79**	**575.96**	**487.04**

(a) Current tax

a) Reconciliation of tax expense applicable to profit before tax at the latest statutory enacted tax rate in India to income tax expense reported is as follows:

Particulars	**Six months period ended 30 September 2023**	**Six months period ended 30 September 2022**	**Year ended 31 March 2023**	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Profit/ (loss) before income-tax	(716.73)	834.61	1,502.97	(1,931.97)	1,722.61
Income tax using	25.17%	25.17%	25.17%	25.17%	34.94%
Expected tax expense [A]	**(180.39)**	**210.06**	**378.27**	**(486.24)**	**601.95**
Tax effect of					
Additional tax benefit claimed on expenditure incurred on research and development		-	-	-	(6.21)
Effect of non-deductible expenses/ impact of tax rates	654.62	(110.55)	(90.19)	1,371.76	(178.26)
Change in tax rates	13.96	2.15	(2.59)	94.41	-
Effect of tax credit considered in determining taxable profits	-	-	-	(532.37)	-
Deferred tax asset not recognised on current year losses of Group companies	95.36	55.98	529.62	182.46	68.42
Current period losses of Transferor company not adjusted against profits of Transferee company#	206.65	197.88	-	-	-
Tax for earlier years	15.53	18.69	16.09	(53.26)	2.36
Set off for previous years unabsorbed losses	-	(105.28)	(112.46)	-	-
Deferred tax recognised on brought forward losses not recognised earlier	-	(104.22)	(90.80)	-	-
Derocgnition of deferred tax assets due to closure of business	16.04	-	-	-	-
Others (including impact on other comprehensive income)	6.85	(17.17)	(97.15)	(0.81)	(1.22)
Total adjustments [B]	**1,009.01**	**(62.52)**	**152.52**	**1,062.20**	**(114.91)**
Actual tax expense [C=A+B]	**828.62**	**147.54**	**530.79**	**575.96**	**487.04**
* Domestic tax rate applicable to the Company has been computed as follows					
Base tax rate	22.00%	22.00%	22.00%	22.00%	30.00%
Surcharge (% of tax)	10.00%	10.00%	10.00%	10.00%	12.00%
Cess (% of tax)	4.00%	4.00%	4.00%	4.00%	4.00%
Applicable rate of tax	25.17%	25.17%	25.17%	25.17%	34.94%

Note:

The Taxation Laws (Amendment) Act, 2019 ("Tax Ordinance") provides the Group with an option to move to a lower tax rate of 25.17% accompanied with immediate expiry of certain other concessional tax rate benefits enjoyed by the Group entities presently. The entities of the Group has reviewed the implications of the Tax Ordinance on their respective tax liabilities for the year and have decided the tax regime most beneficial for them. The management has evaluated the option for each of the group entity individually and adopted the tax regime per the assessment done on individual basis.

Akums Lifesciences Limited (erstwhile subsidiary of the Holding company) (Transferor company) has been merged with one of the group company Pure and Cure Healthcare Private Limited (Transferee company) w.e.f 19 October 2023, refer note 39.

(b) **Changes in deferred tax assets and liabilities for the period ended 30 September 2023:**

Particulars	**As at 31 March 2023**	**Recognised in OCI**	**Recognised in profit and loss**	**As at 30 September 2023**
Deferred tax liability consists of:				
Temporary difference of book and tax depreciation	607.51	-	39.10	646.61
Right to recover products from customer	10.86	-	0.45	11.31
	618.37	**-**	**39.55**	**657.92**
Deferred tax assets consists of:				
Temporary difference of book and tax depreciation	1.21	-	3.69	4.90
Items that are tax deductible on payment basis	96.50	(2.04)	9.43	103.89
Provision for expected credit loss	30.50	-	4.28	34.78
Lease liabilities (net)	76.55	-	37.98	114.53
Refund liability	94.95	-	3.43	98.38
Carried forward busienss losses	154.67	-	(39.12)	115.55
MAT credit entitlement	50.60	-	(17.00)	33.60
Provision for dimunition in value of intangible assets	175.55	-	(175.55)	-
Net deferred tax asset / (liability)	**680.53**	**(2.04)**	**(172.86)**	**505.63**
Total	**(62.16)**	**2.04**	**212.41**	**152.29**

Changes in deferred tax assets and liabilities for the period ended 30 September 2022:

Particulars	**As at 31 March 2022**	**Recognised in OCI**	**Recognised in profit and loss**	**As at 30 September 2022**
Deferred tax liability consists of:				
Temporary difference of book and tax depreciation	552.27	-	(4.53)	547.74
Right to recover products from customer	10.45	-	1.38	11.83
	562.72	**-**	**(3.15)**	**559.57**
Deferred tax assets consists of:				
Temporary difference of book and tax depreciation	1.38	-	4.28	5.66
Items that are tax deductible on payment basis	120.54	3.78	(37.57)	79.19
Provision for expected credit loss	11.06	-	13.74	24.80
Lease liabilities (net)	5.99	-	3.67	9.66
Refund liability	101.02	-	5.99	107.01
Carried forward busienss losses	67.40	-	86.66	154.06
MAT credit entitlement	50.88	-	(0.02)	50.86
Net deferred tax asset / (liability)	**358.27**	**(3.78)**	**76.75**	**431.24**
Total	**204.45**	**3.78**	**(79.90)**	**128.33**

Changes in deferred tax assets and liabilities for the year ended 31 March 2023:

Particulars	As at 31 March 2022	Recognised in OCI	Recognised in profit and loss	As at 31 March 2023
Deferred tax liability consists of:				
Temporary difference of book and tax depreciation	552.27	-	55.24	607.51
Right to recover products from customer	10.45	-	0.41	10.86
	562.72	**-**	**55.65**	**618.37**
Deferred tax assets consists of:				
Temporary difference of book and tax depreciation	1.38	-	(0.17)	1.21
Items that are tax deductible on payment basis	120.54	5.99	(30.03)	96.50
Provision for expected credit loss	11.06	-	19.44	30.50
Lease liabilities (net)	5.99	-	70.56	76.55
Refund liability	101.02	-	(6.07)	94.95
Carried forward busienss losses	67.40	-	87.27	154.67
MAT credit entitlement	50.88	-	(0.28)	50.60
Provision for dimunition in value of intangible assets	-	-	175.55	175.55
Net deferred tax asset / (liability)	**358.27**	**5.99**	**316.27**	**680.53**
Net impact	**204.45**	**(5.99)**	**(260.62)**	**(62.16)**

Changes in deferred tax assets and liabilities for the year ended 31 March 2022:

Particulars	As at 31 March 2021	Recognised in OCI	Recognised in profit and loss	As at 31 March 2022
Deferred tax liability consists of:				
Temporary difference of book and tax depreciation	654.27	-	(102.00)	552.27
Right to recover products from customer	9.86	-	0.59	10.45
	664.13	**-**	**(101.41)**	**562.72**
Deferred tax assets consists of:				
Temporary difference of book and tax depreciation	1.01		0.37	1.38
Items that are tax deductible on payment basis	149.88	(0.81)	(28.53)	120.54
Provision for expected credit loss	35.98	-	(24.92)	11.06
Lease liabilities (net)	5.52	-	0.47	5.99
Refund liability	90.65	-	10.37	101.02
Provision for dimunition in value of investment	25.17	-	(25.17)	-
Carried forward busienss losses	46.18	-	21.22	67.40
MAT credit entitlement	44.06	-	6.82	50.88
Net deferred tax asset / (liability)	**398.45**	**(0.81)**	**(39.37)**	**358.27**
Net impact	**265.68**	**0.81**	**(62.04)**	**204.45**

Changes in deferred tax assets and liabilities for the year ended 31 March 2021:

Particulars	As at 31 March 2020	Recognised in OCI	Recognised in profit and loss	As at 31 March 2021
Deferred tax liability consists of:				
Temporary difference of book and tax depreciation	734.23	-	(79.96)	654.27
Right to recover products from customer	12.10	-	(2.24)	9.86
	746.33	**-**	**(82.20)**	**664.13**
Deferred tax assets consists of:				
Temporary difference of book and tax depreciation	-	-	1.01	1.01
Items that are tax deductible on payment basis	160.47	(1.22)	(9.37)	149.88
Provision for expected credit loss	11.24	-	24.74	35.98
Lease liabilities (net)	1.00	-	4.52	5.52
Refund liability	105.82	-	(15.17)	90.65
Provision for dimunition in value of investment	-	-	25.17	25.17
Carried forward busienss losses	11.92	-	34.26	46.18
MAT credit entitlement	124.25	-	(80.19)	44.06
Net deferred tax asset / (liability)	**414.70**	**(1.22)**	**(15.03)**	**398.45**
Net impact	**331.63**	**1.22**	**(67.17)**	**265.68**

(This space has been intentionally left blank)

(a) Market risk

(i) Foreign currency risk

The entities of the Group has international transactions and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The Group does not use forward contracts and swaps for managing risks associated with foreign currency nor used for speculative purposes.

Foreign currency risk exposure:

Particulars	As at 30 September 2023		As at 30 September 2022		As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	Foreign currency	₹ million	Foreign currency	₹ million	Foreign currency	₹ million	Foreign currency	₹ million	Foreign currency	₹ million
Trade receivables (USD)	66,56,083	545.58	47,00,933	377.27	48,63,853	398.18	26,66,233	202.45	31,71,976	234.75
Trade receivables (Euro)	2,15,284	18.81	1,28,458	10.28	3,40,247	30.40	2,03,926	17.12	-	-
Trade receivables (GBP)	5,946	0.61	-	-	-	-	-	-	-	-
Trade and other payables (Euro)	326	0.03	326	0.03	-	-	-	-	-	-
Trade and other payables (USD)	73,71,522	615.71	76,30,795	614.50	65,86,424	551.48	88,01,678	664.22	20,70,523	151.49
Total	**1,42,49,161**	**1,180.74**	**1,24,60,512**	**1,002.08**	**1,17,90,524**	**980.06**	**1,16,71,837**	**883.79**	**52,42,499**	**386.24**

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments:

Particulars	Currency	As at 30 September 2023		As at 30 September 2022		As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
		Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
INR/USD*	USD	(0.70)	0.70	(2.37)	2.37	(1.53)	1.53	(4.62)	4.62	0.83	(0.83)
INR/GBP**	GBP	0.01	(0.01)	-	-	-	-	-	-	-	-
INR/EURO***	Euro	0.19	(0.19)	0.10	(0.10)	0.55	(0.55)	0.17	(0.17)	-	-

* USD rate sesitivity as on 30 September 2023 : 1% (30 September 2022 : 1%, 31 March 2023 : 1%, 31 March 2022 : 1%, 31 March 2021 : 1%).
** GBP rate sesitivity as on 30 September 2023 : 1%
*** EURO rate sesitivity as on 30 September 2023 : 1% (30 September 2022 : 1%, 31 March 2023 : 1%, 31 March 2022 : 1%, 31 March 2021 : N.A.)

(ii) Interest rate risk

(a) Financial liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At year end, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Group's investments in fixed deposits contractually carry fixed interest rates.

The entity's investments in fixed deposits contractually carry fixed interest rates.

Below is the overall exposure of the entity to interest rate risk:

Particulars	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Variable rate borrowing	5,611.53	5,677.70	3,875.52	3,379.34	860.50
Fixed rate borrowing	1,465.98	1,554.82	1,494.21	200.19	110.14
Total borrowings	**7,077.51**	**7,232.52**	**5,369.73**	**3,579.53**	**970.64**

Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

Particulars	As at 30 September 2023	As at 30 September 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Interest sensitivity*					
Interest rates – increase by 100 basis points	(56.12)	(56.78)	(38.76)	(33.79)	(8.61)
Interest rates – decrease by 100 basis points	56.12	56.78	38.76	33.79	8.61

* Holding all other variables constant

(b) Financial assets

'The group's deposits with banks are carried at amortised cost and are fixed rate instruments. They are, therefore, not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(iii) Price risk

Exposure

The Group is in the business of pharmaceuticals wherein any increase in the prices is passed on to the customer and hence the Group is not exposed to price risk.

(b) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Group. The Group's exposure to credit risk is influenced mainly by investments in cash and cash equivalents, trade receivables and other financial assets measured at amortised cost. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

(This space has been intentionally left blank)

(c) Details of unused tax credits (MAT credit entitlement)

Particulars	As at 30 September 2023		As at 30 September 2022		As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	₹	Expiry date	₹	Expiry date	₹	Expiry date	₹	Expiry date	₹	Expiry date
A.Y. 2010-11	0.09	2025-26	0.09	2025-26	0.09	2025-26	0.09	2025-26	-	2025-26
A.Y. 2011-12	0.05	2026-27	0.05	2026-27	0.05	2026-27	0.05	2026-27	0.05	2026-27
A.Y. 2012-13	0.10	2027-28	0.10	2027-28	0.10	2027-28	0.10	2027-28	0.10	2027-28
A.Y. 2014-15	0.35	2029-30	0.35	2029-30	0.35	2029-30	0.35	2029-30	0.35	2029-30
A.Y. 2015-16	0.75	2030-31	0.75	2030-31	0.75	2030-31	0.75	2030-31	0.75	2030-31
A.Y. 2016-17	18.12	2031-32	18.12	2031-32	18.12	2031-32	18.12	2031-32	18.28	2031-32
A.Y. 2017-18	3.51	2032-33	3.51	2032-33	3.51	2032-33	3.51	2032-33	3.51	2032-33
A.Y. 2018-19	5.10	2033-34	5.10	2033-34	5.10	2033-34	5.10	2033-34	6.68	2033-34
A.Y. 2019-20	9.52	2034-35	9.52	2034-35	9.52	2034-35	9.52	2034-35	9.52	2034-35
A.Y. 2020-21	0.69	2035-36	0.69	2035-36	0.69	2035-36	0.69	2035-36	0.69	2035-36
A.Y. 2021-22	4.12	2036-37	4.12	2036-37	4.12	2036-37	4.12	2036-37	4.12	2036-37
A.Y. 2022-23	8.22	2037-38	8.47	2037-38	8.22	2037-38	8.48	2037-38		
	50.62		**50.87**		**50.62**		**50.88**		**44.05**	

(d) Details in respect of carried forward business losses
The amount and expiry of date of unused tax credits are:

Particulars	As at 30 September 2023			As at 30 September 2022			As at 31 March 2023			As at 31 March 2022			As at 31 March 2021		
	Business losses	Expiry date	Unabsorbed depreciation (with no expiry)	Business losses	Expiry date	Unabsorbed depreciation (with no expiry)	Business losses	Expiry date	Unabsorbed depreciation (with no expiry)	Business losses	Expiry date	Unabsorbed depreciation (with no expiry)	Business losses	Expiry date	Unabsorbed depreciation (with no expiry)
A.Y 2009-10	-	2017-18		-	2017-18	-	-	2017-18	-		2017-18	-	-	2017-18	-
A.Y 2010-11	-	2018-19		-	2018-19	1.20	-	2018-19		-	2018-19	1.20	-	2018-19	1.20
A.Y 2011-12	-	2019-20		-	2019-20	-	-	2019-20		-	2019-20	-	-	2019-20	-
A.Y 2012-13	-	2020-21		-	2020-21	122.03	-	2020-21		-	2020-21	122.03	-	2020-21	122.03
A.Y 2013-14	-	2021-22		-	2021-22	348.28	-	2021-22		-	2021-22	348.32	-	2021-22	348.36
A.Y 2014-15	-	2022-23		-	2022-23	342.55	-	2022-23		-	2022-23	345.13	1,565.57	2022-23	345.21
A.Y 2015-16	-	2029-30	4.93	1,214.50	2029-30	370.49		2023-24	4.93	1,214.50	2023-24	371.73	1,214.50	2023-24	371.81
A.Y 2016-17	-	2029-30	23.93	3,071.79	2029-30	395.67		2024-25	23.93	3,105.40	2024-25	396.45	3,270.13	2024-25	396.45
A.Y 2017-18	121.91	2025-26	39.17	660.43	2025-26	360.85	121.91	2025-26	39.17	838.89	2025-26	362.55	847.10	2025-26	362.74
A.Y 2018-19	202.38	2026-27	40.55	200.20	2026-27	317.25	202.38	2026-27	40.55	344.09	2026-27	319.41	346.85	2026-27	319.41
A.Y 2019-20	137.14	2027-28	35.74	456.38	2027-28	274.32	137.14	2027-28	35.74	784.71	2027-28	276.05	804.81	2027-28	276.51
A.Y 2020-21	120.82	2028-29	18.30	278.83	2028-29	223.30	120.82	2028-29	18.30	579.31	2028-29	227.94	593.20	2028-29	244.38
A.Y 2021-22	60.53	2029-30	7.64	136.21	2029-30	11.46	60.53	2029-30	7.64	138.38	2029-30	11.30	153.33	2029-30	92.05
A.Y 2022-23	52.13	2030-31	15.71	492.83	2030-31	237.29	52.13	2030-31	15.71	487.39	2030-31	237.32	-		
A.Y 2023-24	6,140.06	2031-32	3,515.09	-	2031-32	-	6,140.06	2031-32	3,515.09	-					
	6,834.98		**3,701.06**	**6,511.17**		**3,004.69**	**6,834.98**		**3,701.06**	**7,492.67**		**3,019.43**	**8,795.49**		**2,880.15**

Note:
a). Unabsorbed business lossess of A.Y. 2019-20 includes short term capital loss of ₹ 24.75 million.
b). As per provisions of Income tax Act 1961 and rules made thereunder, due to merger of two Group Companies (refer note 39 for further details), business losses incurred in earlier years of Akums Lifesciences Limited (amalgamating entity) can be set off against business profits of Pure and Cure Healthcare Private Limited (amalgamated entity) in next 8 years from the financial year in which merger is effected (i.e. F.Y. 2022-2023). Accordingly, unabsorbed losses (including unabsorbed depreciation) amounting to ₹ 8,212.12 million as at 30 September 2022 (31 March 2022 : 8,212.12 million, 31 March 2021: 7,593.92 million) becomes the unabsorbed losses and unabsorbed depreciation of A.Y. 2023-24 and expiry of these unabsorbed losses have been changed to 31 March 2031.

49. Research and development expenditure
The Group has its DSIR approved research and development centres located in Haridwar and Mumbai which concentrates on the development of new pharmaceutical formulations. Research and development costs incurred, which have been capitalised under property, plant and equipment, amounted to ₹ 149.40 million (30 Septmeber 2022 : ₹ 150.05 million, 31 March 2023 : ₹ 247.08 million, 31 March 2022: ₹ 223.64 million and 31 March 2021: ₹ 208.30 million (including depreciation of ₹ 21.09 million, 30 Septmeber 2022: ₹ 12.21 million, 31 March 2023: ₹ 30.86 million, 31 March 2022: ₹ 23.07 million and 31 March 2021: ₹ 25.06 million) and interest expense of ₹ 0.46 million (30 Septmeber 2022 : ₹ 0.60 million, 31 March 2023 : ₹ 1.14 million, 31 March 2022: ₹ 1.34 million and 31 March 2021: ₹ 1.40 million) recognised in the Restated Consolidated Financial Information.

(This space has been intentionally left blank)

50. Segment reporting

The board of directors of the Holding Company have been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108 "Operating Segments". Operating Segments have been defined and presented based on the regular review by the CODM to assess the performance of each segment and to make decision about allocation of resources. Pursuant to changes during the current period in the operations and the internal reporting to the Chief Operational Decision maker, the group has reassessed its reportable segments in accordance with Ind AS 108 "Operating Segments".

a) Contract Development and Manufacturing Operations (CDMO): including the formulation research and development, preparation and regulatory filing of dossiers, manufacturing formulations on contract basis, job work and testing services.

b) Active Pharmaceutical Ingredient (API) : wherein the group is engaged in manufacture and sale of KSM, Intermediate and API products.
c) Branded and Generic formulations: wherein the group is engaged in marketing and distribution of branded and generic pharmaceutical formulations.

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group as a whole.
No operating segments have been aggregated to form the above reportable operating segments. Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

No operating segments have been aggregated to form the above reportable operating segments. Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'

Segment results excludes the effects of significant items of income and expenditure which may have an impact on the quality of earnings such as exceptional items, where the such impacts are result of non-recurring events. It also excludes the effects of finance costs, interest income, fair value gains and losses on financial instruments etc which are not allocated to individual segments as the underlying instruments are managed on a Group basis. All the transactions between reportable segments are at arm's lenght price.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.
Finance costs and fair value gains and losses on certain financial assets are not allocated to individual segments as the underlying instruments are managed on a Group basis.
Borrowings, current taxes, deferred taxes and certain financial assets and liabilities are not allocated to the segments and have been included under 'unallocated assets / liabilities'.
Information related to each reportable segment is set out below. Segment results (profit/(loss) before interest and tax) is used to measure performance because management believes that this information is most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.
No single external customer amounts to 10% or more of the group's revenue in any of the periods/ years reported below.

Particulars	Six months period ended 30 September 2023			Six months period ended 30 September 2022			Year ended 31 March 2023			Year ended 31 March 2022			Year ended 31 March 2021		
	Total segment revenue	**Inter segment revenue**	**Revenue from external customer**	**Total segment revenue**	**Inter segment revenue**	**Revenue from external customer**	**Total segment revenue**	**Inter segment revenue**	**Revenue from external customer**	**Total segment revenue**	**Inter segment revenue**	**Revenue from external customer**	**Total segment revenue**	**Inter segment revenue**	**Revenue from external customer**
Revenue															
CDMO (gross)	21,780.67			18,370.15			36,159.27			35,166.22			24,504.40		
Less: Intra segment revenue	3,040.26			2,541.46			4,953.25			5,390.68			499.67		
CDMO (net)	18,740.41	1,934.43	16,805.98	15,828.69	2,622.11	13,206.58	31,206.02	3,975.94	27,230.08	29,775.54	3,164.58	26,610.96	24,004.73	2,626.85	21,377.88
API	1,291.10	357.68	933.42	1,129.54	214.82	914.72	2,222.73	450.24	1,772.49	1,360.88	267.67	1,093.21	6.72	-	6.72
Branded and generic formulations (gross)	4,070.97			4,158.96			7,675.20			9,487.28			6,135.75		
Less: Intra segment revenue	297.24			65.32			125.93			457.78			280.34		
Branded and generic formulations (net)	3,773.73	1.75	3,771.98	4,093.64	1.31	4,092.33	7,549.27	3.64	7,545.63	9,029.50	14.74	9,014.76	5,855.40	13.71	5,841.69
Total	**27,142.74**		**21,511.38**	**23,658.65**		**18,213.63**	**46,057.20**		**36,548.20**	**46,014.38**		**36,718.93**	**30,646.87**		**27,226.29**

(This space has been intentionally left blank)

	Six months period ended 30 September 2023	Six months period ended 30 September 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Segment result before depreciation					
CDMO	2,950.39	1,576.53	3,922.87	4,001.51	2,765.15
API	(210.48)	(532.19)	(1,034.45)	(223.74)	(21.14)
Branded and generic formulations	157.04	185.74	451.05	339.99	319.24
Segment result					
CDMO	2,490.45	1,220.16	3,097.76	3,322.42	2,168.54
API	(350.62)	(653.51)	(1,305.84)	(435.82)	(50.67)
Branded and generic formulations	119.10	143.10	367.23	252.36	229.65
Total segment result	**2,258.93**	**709.75**	**2,159.14**	**3,138.96**	**2,347.52**
Unallocated corporate income/ (expenses) [net]	(2,532.31)	267.24	447.79	(4,851.73)	(538.22)
Interest income	49.66	21.58	53.30	43.96	60.04
Finance costs	(221.35)	(162.26)	(410.23)	(135.41)	(50.19)
(Loss)/ profit before share of (loss)/ profit of an associate, exceptional items and tax	(445.07)	836.31	2,250.00	(1,804.23)	1,819.15
Share of (loss)/ profit of an associate	-	(1.70)	(2.03)	2.03	3.47
(Loss)/ profit before exceptional items and tax	(445.07)	834.61	2,247.97	(1,802.20)	1,822.62
Exceptional items	271.66	-	745.00	129.77	100.00
(Loss)/ profit before tax	(716.73)	834.61	1,502.97	(1,931.97)	1,722.62
Tax expense	830.66	143.76	524.80	576.77	488.26
(Loss)/ profit for the year/ period	**(1,547.39)**	**690.85**	**978.17**	**(2,508.74)**	**1,234.36**

Other information

	Depreciation and amortisation expense					**Segment assets**					**Segment liabilities**				
	Six months period ended 30 September 2023	**Six months period ended 30 September 2022**	**Year ended 31 March 2023**	**Year ended 31 March 2022**	**Year ended 31 March 2021**	**As at 30 September 2023**	**As at 30 September 2022**	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**	**As at 30 September 2023**	**As at 30 September 2022**	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**
CDMO	428.61	369.27	788.23	662.85	592.05	27,181.55	25,106.94	23,574.52	21,866.41	15,989.87	8,579.60	7,900.32	8,094.95	6,940.29	3,890.91
API	140.13	120.88	270.54	211.18	29.45	4,741.69	5,664.17	4,870.68	4,735.52	2,252.94	1,000.56	1,457.50	511.24	1,468.15	625.90
Marketing	32.64	35.08	69.32	72.76	76.91	2,960.15	4,293.33	3,345.04	3,588.38	3,237.66	2,493.85	2,873.14	2,363.66	2,223.14	2,354.98
Less :- Inter-segment eliminations	-	-	-	-	-	(1,790.34)	(2,305.57)	(1,274.83)	(1,156.80)	(1,197.21)	(1,790.34)	(2,305.57)	(1,274.83)	(1,156.80)	(1,197.21)
Total	601.38	525.23	1,128.09	946.79	698.41	33,093.06	32,758.87	30,515.41	29,033.51	20,283.26	10,283.67	9,925.39	9,695.02	9,474.78	5,674.58
Un-allocated corporate assets/ liabities	-	-	-	-	-	2,953.07	2,015.42	2,149.84	1,656.97	1,385.45	20,080.12	17,910.58	15,736.51	14,963.99	7,122.78
Total assets/ liabilities	601.38	525.23	1,128.09	946.79	698.41	36,046.13	34,774.29	32,665.27	30,690.48	21,668.71	30,363.79	27,835.97	25,431.53	24,438.77	12,797.36

There are no investments in associate and joint ventures accounted for by the equity method included in and reported for segment assets under different segments.
All the assets of the Group are domiciled with in India only.

 # Addition of Non current assets other than financial assets and deferred taxes for the six months period ended 30 September 2023 and 30 September 2022 and for the financial year ended 31 March 2023, 31 March 2022, 31 March 2021:

	Six months period ended 30 September 2023	Six months period ended 30 September 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
CDMO	971.26	1,930.80	3,555.90	1,686.69	2,887.44
API	329.72	254.22	372.02	669.90	103.89
Branded and generic formulations	2.23	24.86	21.04	76.53	27.64
	1,303.21	**2,209.88**	**3,948.96**	**2,433.12**	**3,018.97**

(This space has been intentionally left blank)

51. Capital management

For the purpose of the Group's capital management, equity includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders and net debt includes interest bearing loans and borrowings less current investments and cash and cash equivalents. The primary objective of the Group's capital management is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth via expansion.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, internal accruals and short term borrowings. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Particulars	**As at 30 September 2023**	**As at 30 September 2022**	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**
Non-current borrowing	1,465.98	1,554.82	1,494.21	200.19	110.14
Current borrowing	5,611.53	5,677.70	3,875.52	3,379.34	860.50
Less:					
Cash and cash equivalents	1,176.30	458.67	516.08	551.39	220.67
Other bank balances	1,288.14	619.03	983.81	477.08	458.01
Investments	-	-	-	-	190.09
Net debt (A)	**4,613.07**	**6,154.82**	**3,869.84**	**2,551.06**	**101.87**
Total equity* (B)	5,682.34	6,938.33	7,233.74	6,251.71	8,871.35
Capital and net debt (C = A+B)	10,295.41	13,093.15	11,103.58	8,802.77	8,973.22
Gearing ratio (A/C)	**44.81%**	**47.01%**	**34.85%**	**28.98%**	**1.14%**

*Equity includes capital and all reserves of the Group that are managed as capital.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants and attached to the interest bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no material breaches in the financial covenants of any interest bearing loans and borrowings as at year end. No changes were made in the objectives, policies or processes for managing capital during the six months period ended 30 September 2023, 30 September 2022 and year ended 31 March 2023, 31 March 2022 and 31 March 2021.

(This space has been intentionally left blank)

52. Goodwill on consolidation as at the reporting dates comprises of the following:

Name of the entity	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Goodwill					
Malik Lifesciences Private Limited	11.18	11.18	11.18	11.18	11.18
Pure & Cure Healthcare Private Limited	9.45	9.45	9.45	9.45	9.45
Medibox Digital Solutions Private Limited	-	-	-	-	129.77
Total (A)	**20.63**	**20.63**	**20.63**	**20.63**	**150.40**
Capital reserve					
Akumentis Healthcare Limited	8.07	8.07	8.07	8.07	8.07
Amazing Research Laboratories Limited	6.11	6.11	6.11	6.11	6.11
Maxcure Nutravedics Limited	0.06	0.06	0.06	0.06	0.06
May and Baker Pharmaceuticals Limited	5.07	5.07	5.07	5.07	5.07
Upadhrish Reserchem LLP	2.72	2.72	2.72	2.72	2.72
Akums Lifesciences Limited*	1,007.95	1,007.95	1,007.95	1,007.95	1,007.95
Total (B)	**1,029.98**	**1,029.98**	**1,029.98**	**1,029.98**	**1,029.98**

*Akums Lifesciences Limited (erstwhile subsidiary of the Holding Company) has been merged with Pure and Cure Healthcare Private Limited w.e.f 19 October 2023, refer note 39.

Changes in carrying values of goodwill during the period/ year

	Amount
<u>Gross carrying amount</u>	
Balance as at 31 March 2023	**250.40**
Add: Acquired during the period	-
Balance as at 30 September 2023	**250.40**
Balance as at 31 March 2022	**250.40**
Add: Acquired during the period	-
Balance as at 30 September 2022	**250.40**
Balance as at 1 April 2020	**250.40**
Add: Acquired during the year	-
Balance as at 31 March 2021/ 01 April 2021	**250.40**
Add: Acquired during the year	-
Balance as at 31 March 2022/ 01 April 2022	**250.40**
Add: Acquired during the year	-
Balance as at 31 March 2023	**250.40**
<u>Impairment</u>	
Balance as at 31 March 2023	**229.77**
Less: Impairment during the period	-
Balance as at 30 September 2023	**229.77**
Balance as at 31 March 2022	**229.77**
Less: Impairment during the period	-
Balance as at 30 September 2022	**229.77**
Balance as at 1 April 2020	**-**
Less: Impairment during the year (refer note below)	100.00
Balance as at 31 March 2021/ 1 April 2021	**100.00**
Less: Impairment during the year (refer note below)	129.77
Balance as at 31 March 2022	**229.77**
Less: Impairment during the year	-
Balance as at 31 March 2023	**229.77**
Carrying amount as at 30 September 2023	**20.63**
Carrying amount as at 30 September 2022	**20.63**
Carrying amount as at 31 March 2023	**20.63**
Carrying amount as at 31 March 2022	**20.63**
Carrying amount as at 31 March 2021	**150.40**

Note:

The Group performs test for goodwill impairment at least annually on 31 March or if indicators of impairment arise, such as the effects of obsolescence, demand, competition and other economic factors or on occurrence of an event or change in circumstances that would more likely than not reduce the fair value below its carrying amount. When determining the recoverable value (using value in use), the Group utilize various assumptions, including operating results, business plans and projections of future cash flows.

During the previous years, the management had reviewed the carrying value of its goodwill against the recoverable amounts of these CGUs, using internal and external information available and the calculation used cash flow forecasts based on the financial budgets and future projections. Key assumptions for the value in use calculation were forecasted revenue growth and a discount rate of 15.60% p.a and a termnial growth rate of 4% was forecasted. The pre-tax discount rate was derived from the Group's weighted average cost of capital. The above exercise resulted in an impairment of ₹ 129.77 million during the year ended 31 March 2022 and ₹ 100.00 million during the year ended 31 March 2021. Further, as at reporting date, the carrying value of goodwill in the restated consolidated financial information of the Group, is not material and hence not considered for an impairment assessment.

(This space has been intentionally left blank)

53. Details relating to net assets and profit/(loss) is as follows:
For the six months period ended 30 September 2023

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit/ (loss)		Share in Other comprehensive income (OCI)		Share in total comprehensive income	
	₹	As % of consolidated net assets	₹	As % of consolidated profit/ (loss)	₹	As % of consolidated OCI	₹	As % of total consolidated income
Parent								
Akums Drugs and Pharmaceuticals Limited	1,743.72	30.69%	(1,369.26)	88.49%	(2.06)	51.37%	(1,371.32)	88.39%
Subsidiaries (Indian)								
Pure and Cure Healthcare Private Limited #	3,771.65	66.37%	(331.51)	21.42%	(1.39)	34.66%	(332.90)	21.46%
Maxcure Nutravedics Limited	1,056.11	18.59%	99.78	-6.45%	(0.52)	12.97%	99.26	-6.40%
Akumentis Healthcare Limited	924.39	16.27%	197.65	-12.77%	(1.62)	40.40%	196.03	-12.64%
Malik Lifesciences Private limited	289.07	5.09%	26.55	-1.72%	0.10	-2.49%	26.65	-1.72%
Unosource Pharma Limited	(236.37)	-4.16%	94.96	-6.14%	(0.20)	4.99%	94.76	-6.11%
Sarvagunaushdhi Private Limited	433.51	7.63%	(60.16)	3.89%	-	0.00%	(60.16)	3.88%
Amazing Research Laboratories Limited	(144.26)	-2.54%	(62.79)	4.06%	-	0.00%	(62.79)	4.05%
Plenteous Pharmaceuticals Limited	(111.18)	-1.96%	(85.34)	5.52%	0.39	-9.73%	(84.95)	5.48%
May and Baker Pharmaceuticals Limited	34.64	0.61%	(35.79)	2.31%	-	0.00%	(35.79)	2.31%
Upadhrish Reserchem LLP	96.59	1.70%	41.23	-2.66%	-	0.00%	41.23	-2.66%
Nicholas Healthcare Limited	531.72	9.36%	(21.56)	1.39%	0.26	-6.48%	(21.30)	1.37%
Medibox Digital Solutions Private Limited	(42.61)	-0.75%	(43.07)	2.78%	-	0.00%	(43.07)	2.78%
Akums Healthcare Limited	474.32	8.35%	(92.91)	6.00%	1.21	-30.17%	(91.70)	5.91%
Burroughs Welcome Pharmacia Limited	(50.10)	-0.88%	(14.71)	0.95%	-	-	(14.71)	0.95%
Qualymed Pharma Private Limited	(1.43)	-0.03%	(1.53)	0.10%	-	-	(1.53)	0.10%
Non-controlling interest in all subsidiaries	78.49	1.38%	16.78	-1.08%	(0.14)	3.49%	16.64	-1.07%
Intra Group eliminations	(3,165.92)	-55.72%	94.29	-6.09%	(0.04)	1.00%	94.25	-6.08%
Total	**5,682.34**	**100.00%**	**(1,547.39)**	**100.00%**	**(4.01)**	**100.00%**	**(1,551.40)**	**100.00%**

Akums Lifesciences Limited (erstwhile subsidiary of the Holding company) has been merged with Pure and Cure Healthcare Private Limited w.e.f 19 October 2023, refer note 39.

Akums Drugs and Pharmaceuticals Limited
CIN: U24239DL2004PLC125888
Notes to the Restated Consolidated Financial Information
(All amounts in ₹ million unless otherwise stated)

53. Details relating to net assets and profit/(loss) is as follows:

For the six months period ended 30 September 2022

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit/ (loss)		Share in Other comprehensive income (OCI)		Share in total comprehensive income	
	₹	As % of consolidated net assets	₹	As % of consolidated profit/ (loss)	₹	As % of consolidated OCI	₹	As % of total consolidated income
Parent								
Akums Drugs and Pharmaceuticals Limited	2,199.53	31.70%	341.24	49.39%	2.91	24.33%	344.15	48.97%
Subsidiaries (Indian)								
Pure and Cure Healthcare Private Limited #	4,751.87	68.49%	(435.44)	-63.03%	2.81	23.49%	(432.63)	-61.56%
Malik Lifesciences Private limited	284.04	4.09%	(6.95)	-1.01%	2.43	20.32%	(4.52)	-0.64%
Akumentis Healthcare Limited	433.63	6.25%	56.23	8.14%	1.11	9.28%	57.34	8.16%
Maxcure Nutravedics Limited	927.40	13.37%	31.00	4.49%	0.29	2.42%	31.29	4.45%
Sarvagunaushdhi Private Limited	42.81	0.62%	404.41	58.54%	0.48	4.01%	404.89	57.61%
Unosource Pharma Limited	(364.77)	-5.26%	133.33	19.30%	0.49	4.10%	133.82	19.04%
Amazing Research Laboratories Limited	(26.86)	-0.39%	(42.05)	-6.09%	(0.11)	-0.92%	(42.16)	-6.00%
Plenteous Pharmaceuticals Limited	79.78	1.15%	(58.93)	-8.53%	0.64	5.35%	(58.29)	-8.29%
May and Baker Pharmaceuticals Limited	87.17	1.26%	3.06	0.44%	0.27	2.26%	3.33	0.47%
Upadhrish Reserchem LLP	101.13	1.46%	30.26	4.38%	-	-	30.26	4.31%
Medibox Digital Solutions Private Limited	0.51	0.01%	(27.58)	-3.99%	-	-	(27.58)	-3.92%
Akums Healthcare Limited	(140.34)	-2.02%	(86.32)	-12.49%	(0.07)	-0.59%	(86.39)	-12.29%
Nicholas Healthcare Limited	(35.03)	-0.50%	285.56	41.33%	0.56	4.68%	286.12	40.71%
Avha Lifesciences Private Limited*	(14.11)	-0.20%	26.16	3.79%	-	-	26.16	3.72%
Burroughs Welcome Pharmacia Limited	(12.60)	-0.18%	(6.56)	-0.95%	(0.02)	-0.17%	(6.58)	-0.94%
Delcure Lifesciences Limited*	0.18	0.00%	(0.26)	-0.04%	-	-	(0.26)	-0.04%
Associate (as per equity method)								
AUSL Pharma*	-	-	(1.70)	-0.25%	-	-	(1.70)	-0.24%
Non-controlling interest in all subsidiaries	36.81	0.53%	4.77	0.69%	0.09	0.75%	4.86	0.69%
Intra Group eliminations	(1,412.82)	-20.36%	40.62	5.88%	0.08	0.67%	40.70	5.79%
Total	**6,938.33**	**100.00%**	**690.85**	**100.00%**	**11.96**	**100.00%**	**702.81**	**100.00%**

* till the date it ceased to be the subsidiary
# Akums Lifesciences Limited (erstwhile subsidiary of the Holding company) has been merged with Pure and Cure Healthcare Private Limited w.e.f 19 October 2023, refer note 39.

Akums Drugs and Pharmaceuticals Limited
CIN: U24239DL2004PLC125888
Notes to the Restated Consolidated Financial Information
(All amounts in ₹ million unless otherwise stated)

53. Details relating to net assets and profit/(loss) is as follows:

For the year ended 31 March 2023

Name of the entity	Net assets i.e. total assets minus total liabilities ₹	As % of consolidated net assets	Share in profit/ (loss) ₹	As % of consolidated profit/ (loss)	Share in Other comprehensive income (OCI) ₹	As % of consolidated OCI	Share in total comprehensive income ₹	As % of total consolidated income
Parent								
Akums Drugs and Pharmaceuticals Limited	3,115.04	43.06%	1,254.30	128.23%	5.36	26.72%	1,259.66	126.19%
Subsidiaries (Indian)								
Pure and Cure Healthcare Private Limited #	4,104.63	56.74%	(1,085.45)	-110.97%	5.58	27.82%	(1,079.87)	-108.18%
Akumentis Healthcare Limited	666.52	9.21%	319.21	32.63%	2.97	14.81%	322.18	32.28%
Malik Lifesciences Private limited	262.42	3.63%	(28.97)	-2.96%	2.82	14.06%	(26.15)	-2.62%
Maxcure Nutravedics Limited	956.85	13.23%	59.75	6.11%	1.00	4.99%	60.75	6.09%
Nicholas Healthcare Limited	553.03	7.65%	272.96	27.90%	1.23	6.13%	274.19	27.47%
Sarvagunaushdhi Private Limited	493.67	6.82%	354.94	36.29%	0.82	4.09%	355.76	35.64%
Akums Healthcare Limited	566.02	7.82%	(177.84)	-18.18%	(2.20)	(0.11)	(180.04)	-18.04%
Unosource Pharma Limited	(331.11)	-4.58%	166.99	17.07%	0.51	2.54%	167.50	16.78%
Amazing Research Laboratories Limited	(81.46)	-1.13%	(97.17)	-9.93%	0.41	2.04%	(96.76)	-9.69%
Plenteous Pharmaceuticals Limited	(26.23)	-0.36%	(165.46)	-16.92%	1.16	5.76%	(164.30)	-16.46%
Delcure Lifesciences Limited*	-	-	(0.39)	-0.04%	-	-	(0.39)	-0.04%
May and Baker Pharmaceuticals Limited	70.44	0.97%	(13.92)	-1.42%	0.51	2.54%	(13.41)	-1.34%
Upadhrish Reserchem LLP	55.36	0.77%	53.86	5.51%	-	-	53.86	5.40%
Medibox Digital Solutions Private Limited	0.46	0.01%	(27.63)	-2.82%	-	-	(27.63)	-2.77%
Burroughs Welcome Pharmacia Limited	(35.39)	-0.49%	(29.43)	-3.01%	0.06	0.00	(29.37)	-2.94%
Avha Lifesciences Private Limited*	-	-	40.42	4.13%	-	-	40.42	4.05%
Associate (as per equity method)								
AUSL Pharma*	-	-	(2.03)	-0.21%	-	-	(2.03)	-0.20%
Non-controlling interest in all subsidiaries	61.85	0.86%	29.62	3.03%	0.28	1.40%	29.90	3.00%
Intra Group eliminations	(3,198.36)	-44.21%	54.41	5.56%	(0.45)	-2.22%	53.95	5.40%
Total	**7,233.74**	**100.00%**	**978.17**	**100.00%**	**20.06**	**100.00%**	**998.23**	**100.00%**

* till the date it ceased to be the subsidiary
# Akums Lifesciences Limited (erstwhile subsidiary of the Holding company) has been merged with Pure and Cure Healthcare Private Limited w.e.f 19 October 2023, refer note 39.

Akums Drugs and Pharmaceuticals Limited
CIN: U24239DL2004PLC125888
Notes to the Restated Consolidated Financial Information
(All amounts in ₹ million unless otherwise stated)

53. Details relating to net assets and profit/(loss) is as follows:
For the year ended 31 March 2022

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit/ (loss)		Share in Other comprehensive income (OCI)		Share in total comprehensive income	
	₹	As % of consolidated net assets	₹	As % of consolidated profit/ (loss)	₹	As % of consolidated OCI	₹	As % of total consolidated income
Holding Compnay								
Akums Drugs and Pharmaceuticals Ltd.	1,855.38	29.68%	(3,817.75)	152.18%	2.66	-302.27%	(3,815.09)	152.02%
Subsidiaries (Indian)								
Pure and Cure Healthcare Private Limited #	5,184.51	82.93%	738.34	-29.43%	(1.76)	200.00%	736.58	-29.35%
Malik Lifesciences Private limited	288.57	4.62%	133.05	-5.30%	(1.50)	170.45%	131.55	-5.24%
Maxcure Nutravedics Limited	896.09	14.33%	(78.10)	3.11%	(0.61)	69.32%	(78.71)	3.14%
Akumentis Healthcare Limited	312.36	5.00%	162.59	-6.48%	(0.48)	54.55%	162.11	-6.46%
Amazing Research Laboratories Limited	14.27	0.23%	16.97	-0.68%	0.09	-10.23%	17.06	-0.68%
Plenteous Pharmaceuticals Limited	138.07	2.21%	40.34	-1.61%	(0.53)	60.23%	39.81	-1.59%
Nicholas Healthcare Limited	(208.10)	-3.33%	(195.38)	7.79%	(0.46)	51.99%	(195.84)	7.80%
Unosource Pharma Limited	(498.65)	-7.98%	116.31	-4.64%	(0.18)	20.45%	116.13	-4.63%
Akums Healthcare Limited	(53.94)	-0.86%	(52.63)	2.10%	-	-	(52.63)	2.10%
Sarvagunaushdhi Private Limited	(362.08)	-5.79%	(45.42)	1.81%	0.84	-95.45%	(44.58)	1.78%
Delcure Lifesciences Limited	0.44	0.01%	86.72	-3.46%	-	-	86.72	-3.46%
May and Baker Pharmaceuticals Limited	83.85	1.34%	11.34	-0.45%	(0.07)	7.95%	11.27	-0.45%
Avha Lifesciences Private Limited	(40.27)	-0.64%	(0.53)	0.02%	0.41	-46.59%	(0.12)	0.00%
Upadhrish Reserchem LLP	70.87	1.13%	69.37	-2.77%	-	-	69.37	-2.76%
Cure Sure Pharma*	0.21	0.00%	(45.54)	1.82%	-	-	(45.54)	1.81%
Medibox Digital Solutions Private Limited	28.09	0.45%	11.58	-0.46%	0.88	-100.00%	12.46	-0.50%
Akum Impex LLP	0.10	0.00%	-	-	-	-	-	-
Abbott Pharma Ltd	-	-	(0.01)	0.00%	-	-	(0.01)	0.00%
Dhanwantri Vedaresearch LLP	0.10	0.00%	(0.00)	0.00%	-	-	(0.00)	0.00%
Burroughs Welcome Pharmacia Limited#	(6.02)	-0.10%	(6.03)	0.24%	-	-	(6.03)	0.24%
Parabolic Research Labs Limited	-	-	(21.84)	0.87%	-	-	(21.84)	0.87%
Ziven Lifecsciences Limited	-	-	0.53	-0.02%	-	-	0.53	-0.02%
Associate (as per equity method)								
AUSL Pharma	-	-	2.03	-0.08%	-	-	2.03	-0.08%
Non-controlling interest in all subsidiaries	31.95	0.51%	16.62	-0.66%	(0.04)	4.55%	16.58	-0.66%
Intra Group eliminations	(1,484.09)	-23.74%	348.70	-13.90%	(0.13)	15.06%	348.57	-13.89%
Total	**6,251.71**	**100.00%**	**(2,508.74)**	**100.00%**	**(0.88)**	**100.00%**	**(2,509.62)**	**100.00%**

* till the date it ceased to be the subsidiary
# Akums Lifesciences Limited (erstwhile subsidiary of the Holding company) has been merged with Pure and Cure Healthcare Private Limited w.e.f 19 October 2023, refer note 39.

53. Details relating to net assets and profit/(loss) is as follows:

For the year ended 31 March 2021

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit/ (loss)		Share in Other comprehensive income (OCI)		Share in total comprehensive income	
	₹	As % of consolidated net assets	₹	As % of consolidated profit/ (loss)	₹	As % of consolidated OCI	₹	As % of total consolidated income
Holding Compnay								
Akums Drugs and Pharmaceuticals Ltd.	5,670.46	63.92%	(1,454.28)	-117.82%	1.55	-122.05%	(1,452.73)	-117.81%
Subsidiaries (Indian)								
Pure and Cure Healthcare Private Limited #	4,730.57	53.32%	844.27	68.40%	0.92	-72.44%	845.19	68.54%
Malik Lifesciences Private limited	157.02	1.77%	(67.26)	-5.45%	1.31	-103.15%	(65.95)	-5.35%
Maxcure Nutravedics Limited	974.81	10.99%	60.38	4.89%	0.31	-24.41%	60.69	4.92%
Unosource Pharma Limited	(614.77)	-6.93%	56.13	4.55%	1.04	-81.89%	57.17	4.64%
Nicholas Healthcare Limited	(12.25)	-0.14%	(13.17)	-1.07%	-	-	(13.17)	-1.07%
Akumentis Healthcare Limited	158.08	1.78%	201.88	16.36%	(7.31)	575.59%	194.57	15.78%
Sarvagunaushdhi Private Limited	(317.50)	-3.58%	(64.52)	-5.23%	0.23	-18.11%	(64.29)	-5.21%
Amazing Research Laboratories Limited	(2.79)	-0.03%	18.09	1.47%	0.25	-19.69%	18.34	1.49%
Plenteous Pharmaceuticals Limited	98.26	1.11%	46.03	3.73%	0.30	-23.62%	46.33	3.76%
Akums Healthcare Limited	(1.30)	-0.01%	(2.30)	-0.19%	-	-	(2.30)	-0.19%
Delcure Lifesciences Limited	(1,609.76)	-18.15%	684.39	55.45%	-	-	684.39	55.50%
May and Baker Pharmaceuticals Limited	72.58	0.82%	14.11	1.14%	0.13	-10.24%	14.24	1.15%
Avha Lifesciences Private Limited	(40.15)	-0.45%	(9.83)	-0.80%	0.45	-35.43%	(9.38)	-0.76%
Upadhrish Reserchem LLP	52.96	0.60%	51.46	4.17%	-	-	51.46	4.17%
Cure Sure Pharma	20.79	0.23%	2.16	0.17%	-	-	2.16	0.18%
Medibox Digital Solutions Private Limited	15.63	0.18%	(65.15)	-5.28%	0.19	-14.96%	(64.96)	-5.27%
Akum Impex LLP	0.10	0.00%	-	-	-	-	-	-
Abbott Pharma Ltd	0.68	0.01%	0.02	0.00%	-	-	0.02	0.00%
Dhanwantri Vedaresearch LLP	0.10	0.00%	-	-	-	-	-	-
Parabolic Research Labs Limited	21.84	0.25%	-	-	-	-	-	-
Ziven Lifecsciences Limited	(59.51)	-0.67%	0.02	0.00%	-	-	0.02	0.00%
Associate (as per equity method)								
AUSL Pharma	-	-	3.47	0.28%	-	-	3.47	0.28%
Non-controlling interest in all subsidiaries	22.88	0.26%	7.30	0.59%	(0.64)	50.39%	6.66	0.54%
Intra Group eliminations	(467.38)	-5.27%	921.15	74.63%	-	-	921.15	74.70%
	8,871.35	**100.00%**	**1,234.35**	**100.00%**	**(1.27)**	**100.00%**	**1,233.08**	**100.00%**

Akums Lifesciences Limited (erstwhile subsidiary of the Holding company) has been merged with Pure and Cure Healthcare Private Limited w.e.f 19 October 2023, refer note 39.

54. Lease

(a) The Group has adopted Ind AS 116 'Leases' from 1 April 2019.

(b) The weighted average lessee's incremental borrowing rate applied by Group companies to the lease liabilities ranges from 9%-13% p.a.

(c) The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised in the restated consolidated statement of assets and liabilities:

As at 30 September 2023

Right-of-use assets	No of right-of-use assets leased	Range of remaining term(years)	Average remaining lease term (years)
Leasehold land	11	29.5 - 91.5 years	83.5 years
Building	16	1.5 - 8.5 years	4.5 years

As at 30 September 2022

Right-of-use assets	No of right-of-use assets leased	Range of remaining term(years)	Average remaining lease term (years)
Leasehold land	10	73.5 - 92.5 years	84.5 years
Building	16	2.5 - 9.5 years	5.5 years

As at 31 March 2023

Right-of-use assets	No of right-of-use assets leased	Range of remaining term(years)	Average remaining lease term (years)
Leasehold land	11	30-92 years	84 years
Building	16	2-9 years	5 years

As at 31 March 2022

Right-of-use assets	No of right-of-use assets leased	Range of remaining term(years)	Average remaining lease term (years)
Leasehold land	10	74-93 years	85 years
Building	16	3-10 years	6 years

As at 31 March 2021

Right-of-use assets	No of right-of-use assets leased	Range of remaining term(years)	Average remaining lease term (years)
Leasehold land	10	75-94 years	86 years
Building	15	2-9 years	5 years

There are no leases entered by the Group which have any extention, termination or purchase option and the payment of lease rentals is not based on variable payments which are linked to an index.

(d) **Amount recognised in the Restated Consolidated Financial Information:**

Particulars	Category of Right-of-use assets		
	Land	**Buildings**	**Total**
Balance as at 1 April 2023	**992.51**	**271.08**	**1,263.59**
Add: Additions during the period	17.84	7.77	25.61
Less: deletion during the period	-	(26.36)	(26.36)
Less: depreciation charged on the right-of-use assets	(11.45)	(38.67)	(50.12)
Balance as at 30 September 2023	**998.90**	**213.82**	**1,212.72**
Balance as at 1 April 2022	**458.83**	**351.76**	**810.59**
Add: Additions during the period	62.88	16.69	79.57
Add: remeasurement during the period	-	0.16	0.16
Less: transferred to asset held for sale	(40.98)	-	(40.98)
Less: depreciation charged on the right-of-use assets	(6.29)	(38.11)	(44.40)
Balance as at 30 September 2022	**474.44**	**330.50**	**804.94**
Balance as at 1 April 2020	**329.63**	**172.25**	**501.88**
Add: Additions during the year	84.06	180.17	264.23
Add: modification under IND AS 116	-	12.21	12.21
Less: deletion during the year	-	(19.13)	(19.13)
Less: depreciation charged on the right-of-use assets	(4.15)	(53.09)	(57.24)
Balance as at 1 April 2021	**409.54**	**292.41**	**701.95**
Add: Additions during the year	54.44	141.90	196.34
Less: deletion during the year	-	(10.55)	(10.55)
Less: depreciation charged on the right-of-use assets	(5.16)	(71.99)	(77.15)
Balance as at 31 March 2022/ 1 April 2022	**458.82**	**351.77**	**810.59**
Add: Additions during the year	584.64	26.34	610.98
Less: deletion during the year	(40.98)	(17.98)	(58.96)
Less: depreciation charged on the right-of-use assets	(9.97)	(89.05)	(99.02)
Balance as at 31 March 2023	**992.51**	**271.08**	**1,263.59**

(e) **Lease payment not recognised as lease liability**

Particulars	**Period ended 30 September 2023**	**Period ended 30 September 2022**	**Year ended 31 March 2023**	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Expenses relating to short term leases (included in other expenses)	24.78	13.45	34.76	26.48	37.63
Total	**24.78**	**13.45**	**34.76**	**26.48**	**37.63**

(f) The total cash outflow for leases for the period ended 30 September 2023 was ₹ 89.99 million (30 September 2022 ₹ 71.60 million; 31 March 2023: ₹ 129.98 million; 31 March 2022: ₹ 163.73 million and 31 March 2021: ₹ 129.26 million).

(g) Future minimum lease payments as at reporting dates are as follows:

Minimum lease payments due	**As at 30 September 2023**		
	Lease payment	**Finance charges**	**Net present value**
Within 1 year	123.17	66.20	56.97
1-5 years	367.61	218.29	149.32
More than 5 years	1,276.86	717.99	558.87
Total	**1,767.64**	**1,002.48**	**765.16**

Minimum lease payments due	**As at 30 September 2022**		
	Lease payment	**Finance charges**	**Net present value**
Within 1 year	98.57	26.42	72.15
1-5 years	228.63	56.43	172.20
More than 5 years	114.48	5.17	109.31
Total	**441.68**	**88.02**	**353.66**

Minimum lease payments due	**As at 31 March 2023**		
	Lease payment	**Finance charges**	**Net present value**
Within 1 year	143.05	70.64	72.41
1-5 years	414.68	231.63	183.05
More than 5 years	1,304.71	738.96	565.75
Total	**1,862.44**	**1,041.23**	**821.21**

Minimum lease payments due	**As at 31 March 2022**		
	Lease payment	**Finance charges**	**Net Present Value**
Within 1 year	96.49	30.27	66.22
1-5 years	270.96	67.04	203.92
More than 5 years	117.74	17.58	100.16
Total	**485.19**	**114.89**	**370.30**

Minimum lease payments due	**As at 31 March 2021**		
	Lease payment	**Finance charges**	**Net Present Value**
Within 1 year	78.99	28.55	50.44
1-5 years	197.57	58.90	138.67
More than 5 years	170.06	30.06	140.00
Total	**446.62**	**117.51**	**329.11**

(This space has been intentionally left blank)

55. Ageing of trade receivables and trade payables as per Schedule III

A Trade receivables ageing

The table below analyse the outstanding trade receivables:

As at 30 September 2023

Particulars	Outstanding for the following periods from due date of payment					
	Less than 6 months*	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables- considered good*	10,298.72	434.87	306.54	38.62	37.78	**11,116.53**
Undisputed trade receivables- which have significant increase in credit risk	0.53	5.13	73.01	2.62	50.01	**131.30**
Disputed trade receivables- considered good	1.29	0.03	7.38	27.68	104.50	**140.88**
Provision for expected credit loss	(0.85)	(5.13)	(71.09)	(22.94)	(98.71)	**(198.72)**
	10,299.69	**434.90**	**315.84**	**45.98**	**93.58**	**11,189.99**

* includes not due amount of ₹ 6,003.23 million

As at 30 September 2022

Particulars	Outstanding for the following periods from due date of payment					
	Less than 6 months*	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables- considered good*	8,776.12	320.75	177.27	26.96	46.15	**9,347.25**
Undisputed trade receivables- which have significant increase in credit risk	3.47	1.60	115.82	11.13	43.88	**175.90**
Disputed trade receivables- considered good	3.67	3.43	28.36	27.05	84.06	**146.57**
Provision for expected credit loss	(2.09)	(2.39)	(58.84)	(14.43)	(70.08)	**(147.83)**
	8,781.17	**323.39**	**262.61**	**50.71**	**104.01**	**9,521.89**

* includes not due amount of ₹ 3,698.64 million

As at 31 March 2023

Particulars	Outstanding for the following periods from due date of payment					
	Less than 6 months*	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables- considered good*	7,079.05	931.63	250.58	23.28	4.30	**8,288.84**
Undisputed trade receivables- which have significant increase in credit risk	-	-	48.80	7.33	42.17	**98.30**
Disputed trade receivables- considered good	9.66	4.79	60.95	15.08	120.73	**211.21**
Provision for expected credit loss	(6.92)	(1.32)	(60.55)	(11.11)	(67.58)	**(147.48)**
	7,081.79	**935.10**	**299.78**	**34.58**	**99.62**	**8,450.87**

* includes not due amount of ₹ 4,668.07

As at 31 March 2022

Particulars	Outstanding for the following periods from due date of payment					
	Less than 6 months*	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables- considered good*	8,155.54	412.30	127.45	36.18	59.56	**8,791.03**
Undisputed trade receivables- which have significant increase in credit risk	29.85	47.61	0.25	1.86	40.14	**119.71**
Disputed trade receivables- considered good	1.54	6.54	22.19	5.00	66.48	**101.75**
Provision for expected credit loss	(30.49)	(48.40)	(5.80)	(3.17)	(81.51)	**(169.37)**
	8,156.44	**418.05**	**144.09**	**39.87**	**84.67**	**8,843.12**

* includes not due amount of ₹ 4,746.76

As at 31 March 2021

Particulars	Outstanding for the following periods from due date of payment					
	Less than 6 months*	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables- considered good*	4,739.76	381.43	204.43	-	127.35	**5,452.97**
Provision for expected credit loss	-	-	-	-	(138.98)	**(138.98)**
	4,739.76	**381.43**	**204.43**	**-**	**(11.63)**	**5,313.99**

* includes not due amount of ₹ 2,954.76.

Note: There are no unbilled receivables, hence same is not disclosed in the ageing schdeule.

(This space has been intentionally left blank)

B Trade payables ageing

The table below analyse the outstanding trade payables:

As at 30 September 2023

Particulars	Outstanding for the following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	651.40	-	-	-	**651.40**
Others	4,603.31	143.32	6.16	4.93	**4,757.72**
Unbilled dues	699.57	-	-	-	**699.57**
	5,954.28	**143.32**	**6.16**	**4.93**	**6,108.69**

As at 30 September 2022

Particulars	Outstanding for the following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	452.93	-	-	-	**452.93**
Others	5,188.66	11.45	2.14	3.61	**5,205.86**
Unbilled dues	577.08	-	-	-	**577.08**
	6,218.67	**11.45**	**2.14**	**3.61**	**6,235.87**

As at 31 March 2023

Particulars	Outstanding for the following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	440.92	1.24	-	-	**442.16**
Others	4,641.60	92.47	4.00	3.34	**4,741.41**
Unbilled dues	487.82	-	-	-	**487.82**
	5,570.34	**93.71**	**4.00**	**3.34**	**5,671.39**

As at 31 March 2022

Particulars	Outstanding for the following periods from due date of payments				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	331.86	0.01	-	-	**331.87**
Others	5,047.36	17.90	1.32	3.10	**5,069.68**
Unbilled dues	495.11	-	-	-	**495.11**
	5,874.33	**17.91**	**1.32**	**3.10**	**5,896.66**

As at 31 March 2021

Particulars	Outstanding for the following periods from due date of payments				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	330.56	-	-	-	**330.56**
Others	2,826.55	11.42	-	6.30	**2,844.27**
Unbilled dues	239.31	-	-	-	**239.31**
	3,396.42	**11.42**	**-**	**6.30**	**3,414.14**

Note: There are no disputed dues.

(This space has been intentionally left blank)

56. Share based payments

The Holding Company has implemented Employee Stock Option Scheme 2022 (ESOP Scheme 2022) as approved by the shareholder on 31 March 2022. The scheme entitles employees and directors of the Holding Company and its subsidiaries to purchase shares in the Holding Company at the stipulated exercise price, subject to compliance with vesting conditions as mentioned below. The nomination and remuneration committee of the Board of the Holding Company administers the Employee Stock Option Scheme 2022 and grants stock options to eligible employees.

Details of the options granted during the period ended 30 September 2023 under the ESOP Scheme 2022 are given below:

Scheme details	Grant date	No. of options granted	Exercise price (₹) per option	Vesting period	Exercise period
Employee Stock Option Scheme 2022 (ESOP Scheme 2022)	1 April 2023	14,000	1,010	5 years	5 years from date of vesting of options

The vesting conditions are mix of service and performance based conditions. Further, during the vesting period, there will graded vesting which will be 25% each in last 4 years of vesting period.

The options are granted at an exercise price, which is in accordance with the relevant provisions of the Companies Act, 2013, at the time of such grants. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of face value ₹ 2 each.

The options were granted on 1 April 2023 and were then forfeited during the period. Hence, there is no impact on the restated consolidated financial information of the Group during the period. The fair values of options are measured based on the Black-Scholes-Merton model.

Weighted average share price for options exercised during the period :

Particulars	ESOP Scheme 2022
Weighted average share price (₹)	1,010.34
Fair value per Option at grant date (₹)	376.94- 553.33
Excercise price (₹)	1,010.00
Expected Volatility	38.82%-37.72%
Expected Life (in years)	3.5 - 7.5
Expected dividends	0.00%
Risk-free interest rate	6.87%- 7.03%

Stock option activity under the scheme for the period ended 30 September 2023 is set out below:

Particulars	No. of options	Weighted average exercise price (₹) per option	Range of exercise price (₹) per option	Weighted average remaining contractual life (years)
Outstanding as at 1 April 2023	**-**	**-**	**-**	**-**
Granted during the period	14,000	1,010.00	1,010.00	4.75
Forfeited/ cancelled during the period	(14,000)	1,010.00	1,010.00	
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	-
Outstanding as at 30 September 2023	**-**	**-**	**-**	**-**
Exercisable at the end of the period	-	-	-	-

(This space has been intentionally left blank)

57 Subsequent events

(a) Subsequent to period end, the Holding Company, subject to the approval of the shareholders, in its board meeting held on 26 October 2023 has approved the "Initial Public Offering (IPO)" of its equity shares of face value of Rs. 2 each which may include primary infusion through fresh issue of equity shares and an offer of sale by the existing shareholders of the Company. Further, the Company has increased its authorised share capital from 15,00,00,000 equity shares of ₹ 2 each to 20,00,00,000 equity shares of ₹ 2 each.

(b) Pure and Cure Healthcare Limited and Akums Lifesciences Limited (both wholly owned subsidiaries of Akums Drugs and Pharmaceuticals Limited) had filed a Scheme of Arrangement ('Scheme') under the provisions of Section 230 - 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, for the amalgamation of Akums Lifesciences Limited with and into Pure and Cure Healthcare Private Limited. Subsequent to period end, the Scheme has been approved by NCLT vide its order dated 24 August 2023 and 17 October 2023 by Chandigarh and New Delhi NCLT respectively, with the appointed date as 1 April 2022. The Scheme has become effective on 19 October 2023 upon filing of the Scheme with the Registrar of Companies. However, the Scheme does not impact the Restated Consolidated Financial Information of the Group being a merger between wholly owned subsidiaries of the Group.

58. Statement of Restatement adjustments

Part A: Statement of Restatement Adjustments to Audited Consolidated Financial Statements

Reconciliation between total equity as per audited financial statements and restated consolidated financial information

Particulars	**As at 30 September 2023**	**As at 30 September 2023**	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**
Total equity (as per audited financial statements)	5,682.34	6,938.33	7,233.74	6,251.71	8,871.35
Adjustments	-	-	-	-	-
Total equity as per restated consolidated statement of assets and liabilities	**5,682.34**	**6,938.33**	**7,233.74**	**6,251.71**	**8,871.35**

Reconciliation between profit/ (loss) for the period/ year after tax as per audited financial statements and restated profit after tax as per restated consolidated financial information

Particulars	**As at 30 September 2023**	**As at 30 September 2023**	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**
Profit for the year after tax (as per audited financial statements)	(1,547.39)	690.85	978.17	(2,508.74)	1,234.35
Restatement adjustments	-	-	-	-	-
Restated (loss)/ profit after tax for the period/ year	**(1,547.39)**	**690.85**	**978.17**	**(2,508.74)**	**1,234.35**

Part B: Material regrouping

Appropriate regroupings have been made in the restated consolidated summary statements of assets and liabilities, restated consolidated statement of profit and loss and restated consolidated statements of cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per the special purpose consolidated interim financial statements for the period ended 30 September 2023 prepared in accordance with Schedule III of Companies Act, 2013, requirements of Ind AS 1 - 'Presentation of financial statements' and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018, as amended. However, the impact of such regroupings are not material to the restated consolidated financial information.

Audit observations for the respective years, which do not require any adjustments in the restated consolidated summary statement are as follows:

a) There are no audit qualification in auditor's report for the financial year ended 31 March 2023, 31 March 2022 and 31 March 2021.

b) Emphasis of matter paragraphs included in the auditor's report for the six months period ended 30 September 2022 and year ended 31 March 2021, which did not require any adjustment in the Restated Consolidated Financial Information are as follows :-

As at 30 September 2022:

Emphasis of Matter - Basis of Preparation and Restriction on Distribution or Use

"Without modifying our opinion, we draw attention to Note 1.2 to the accompanying Special Purpose Consolidated Interim Financial Statements, which describes the basis of its preparation. The Special Purpose Consolidated Interim Financial Statements have been prepared by the Holding Company's management, solely to enable the management to present comparative financial information while preparing special purpose consolidated interim financial statements for the six-month period ended 30 September 2023, which in turn will be used for the preparation of
(a) Special Purpose Consolidated Interim Financial Statements for the six-month period ended 30 September 2023,
(b) Restated Consolidated Financial Information for the six-month periods ended 30 September 2023 and 30 September 2022 and for the years ended 31 March 2023, 31 March 2022 and 31 March 2021, which is to be included in the Draft Red Herring Prospectus ('DRHP) which is to be filed by the Company with Securities and Exchange Board of India, National Stock Exchange of India Limited and BSE Limited as per the requirements of Section 26 of Part I of Chapter III of the Act, read with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, as amended from time to time ('ICDR Regulations') in connection with the proposed Initial Public Offer ('IPO') of equity shares of the Holding Company. Therefore, these Special Purpose Consolidated Interim Financial Statements may not be suitable for any other purpose. Our report is issued solely for the aforementioned purpose, and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing."

As at 31 March 2021:

Emphasis of Matter – Accounting of acquisition under business combination

"We draw attention to Note 38 to the consolidated financial statements which describes the implementation of Resolution Plan pursuant to its approval by National Company Law Tribunal and the resultant impact of the same on the consolidated financial statements as at 12 January 2021. Our opinion is not modified in respect of this matter."

c) Other audit qualifications included in the annexure to the Auditors' reports issued under Companies (Auditor's Report) Order, 2020, on the consolidated financial statements for the year ended 31 March 2023 and 31 March 2022 and audit qualifications included in the annexure to the Auditors' reports issued under Companies (Auditor's Report) Order, 2016 (as amended) on the financial statements for the year ended 31 March 2021, which do not require any corrective adjustment in the Restated Consolidated Summary Statements are as follows:

(This space has been intentionally left blank)

As at and for the year ended 31 March 2023

Clause (vii)(a) of Companies (Auditor's Report) Order, 2020

Pure and cure Healthcare Private Limited

Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in few cases.

In respect of following entity, there have been significant delay in depositing dues under income tax law:

Statement of arrears of statutory dues outstanding for more than six months (₹ in million)

Name of statute	Nature of dues	Amount	Period to which amount relates	Due date	Date of payment
Income tax law	Advance tax	25.25	FY 2022-23	15-Jun-22	Not applicable
		75.76		15-Dec-22	

As at and for the year ended 31 March 2022

Akums Drugs and Pharmaceuticals Limited

Clause (iv) of Companies (Auditor's Report) Order, 2020
Provisions of section 186 of the Companies Act 2013 has not been complied with and details of which are as follows:

Entity Name	Particulars	Name of Company	Amount involved	Balance as on 31	Remarks
Akums Drugs & Pharmaceuticals Limited	Loan given at rate of interest lower than prescribed	Sarvagunaushdi Private Limited	380.00	410.00	Interest free loan given to the subsidiary company

Pure and cure Healthcare Private Limited

Clause (vii)(a) of Companies (Auditor's Report) Order, 2020

Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in few cases.

Statement of arrears of statutory dues outstanding for more than six months (₹ in million)

Entity Name	Name of statute	Nature of dues	Amount	Period to which	Due date	Date of payment
Pure and Cure Healthcare Private Limited	Income tax law	Advance tax	63.44	FY 2021-22	15-Jun-21	Not applicable
			190.33		15-Sep-21	

As at and for the year ended 31 March 2021
Clause (iv) of Companies (Auditor's Report) Order, 2016

In respect of following entity, provisions of section 186 of the Companies Act 2013 has not been complied with and details of which are as follows:

Entity Name	Particulars	Name of Company	Amount involved	Balance as on 31	Remarks
Akums Drugs & Pharmaceuticals Limited	Loan given at rate of interest lower than	Sarvagunaushdi Private Limited	380.00	380.00	Interest free loan given to the subsidiary company

(This space has been intentionally left blank)

59. Other statutory information

(a) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for Holding any Benami property.

(b) The Group do not have any transactions with companies struck off.

(c) The Group do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(d) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(e) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(f) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(g) The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(h) The Group is not declared wilful defaulter by any bank or financial institution or government or any government authority.

(i) The Group has complied with the approved scheme of arrangement. Refer note 57(b).

(j) The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets both during the current or previous periods/years.

(k) The Group has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the group with banks and financial institutions are in agreement with the books of accounts.

As per our report of even date attached
For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/ N500013

Tarun Gupta
Partner
Membership No: 507892

Place : New Delhi
Date : 17 January 2024

For and on behalf of Board of Directors of
Akums Drugs and Pharmaceuticals Limited

Sanjeev Jain
Director
DIN: 00323433

Sandeep Jain
Director
DIN: 00323476

Sumeet Sood
Chief Financial Officer

Dharamvir Malik
Company Secretary
Mem. No.: FCS 8596

Place : New Delhi
Date : 17 January 2024

OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

(*₹ in million, except as otherwise stated*)

Particulars	As at and for the six months period ended September 30, 2023*	As at and for the six months period ended September 30, 2022*	As at and for the year ended March 31, 2023	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021
Basic earnings per share (in ₹)	(10.93)	4.80	6.63	(17.65)	8.58
Diluted earnings per share (in ₹)	(10.93)	4.80	6.63	(17.65)	8.58
Return on Net Worth (%)	(27.91)	9.94	13.23	(40.60)	13.87
Net asset value per Equity Share (in ₹)	39.17	48.24	50.13	43.48	61.85
EBITDA	414.31	1,540.74	3,840.55	(690.89)	2,584.99

* *Not annualized.*

Notes:

1) *Basic earnings per share = Restated profit for the period/year attributable to equity holders of the Company divided by weighted average number of basic equity shares outstanding during the period/year.*
2) *Diluted earnings per equity share: Restated profit for the year attributable to equity holders of the Company divided by weighted average number of diluted equity shares outstanding during the period/year.*
3) *Return on Net Worth (%) = Restated profit/(loss) attributable to equity holders of the Company divided by total equity attributable to equity holders of the Company.*
4) *Net Worth represents equity attributable to the equity holders of the Company*
5) *Net Asset Value per Equity Share = Equity attributable to equity holders of the Company divided by weighted average number of equity shares outstanding during the year.*
6) *EBITDA is calculated as restated profit for the period/year plus tax expense plus finance costs plus depreciation and amortization expense plus share of profit/loss of associate and exceptional items.*

Reconciliation of Non-GAAP Measures

Reconciliation for the various Non-GAAP Financial Measures included in this Draft Red Herring Prospectus are given below.

EBIT*, EBIT Margin (%)*, EBITDA*, EBITDA Margin (%)*, PAT* and PAT Margin (%)*

Particulars	Six months ended September 30, 2023	Six months ended September 30, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
(Loss)/ profit before share of (loss)/ profit of an associate, exceptional item and tax (A)	(445.07)	836.31	2,250.00	(1,804.23)	1,819.14
Finance costs (B)	258.00	179.20	462.46	166.55	67.44
EBIT (C=A+B)	**(187.07)**	**1,015.51**	**2,712.46**	**(1,637.68)**	**1,886.58**
Depreciation and amortisation expense (D)	601.38	525.23	1,128.09	946.79	698.41
EBITDA (E=C+D)	**414.31**	**1,540.74**	**3,840.55**	**(690.89)**	**2,584.99**
Total Income (F)	21,660.06	18,521.36	37,009.25	36,945.23	27,437.85
EBIT Margin (%) (G=C/F)	**-0.86%**	**5.48%**	**7.33%**	**-4.43%**	**6.88%**
EBITDA Margin (%) (H = E/F)	**1.91%**	**8.32%**	**10.38%**	**-1.87%**	**9.42%**
Profit after tax for the year (I)	(1,547.39)	690.85	978.17	(2,508.74)	1,234.35
PAT Margin (%) (J=I/F)	**-7.14%**	**3.73%**	**2.64%**	**-6.79%**	**4.50%**

**Not annualized for six months ended September 30, 2023 and September 30, 2022.*

Adjusted EBIT*, Adjusted EBIT Margin (%)*

Particulars	Six months ended September 30, 2023	Six months ended September 30, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
(Loss)/ profit before share of (loss)/ profit of an associate, exceptional item and tax (A)	(445.07)	836.31	2,250.00	(1,804.23)	1,819.14
Finance costs (B)	258.00	179.20	462.46	166.55	67.44
EBIT (C=A+B)	**(187.07)**	**1,015.51**	**2,712.46**	**(1,637.68)**	**1,886.58**
Fair value changes to the financial instrument **(D)**	2,536.46	(263.27)	(439.69)	4,941.74	538.23

Particulars	Six months ended September 30, 2023	Six months ended September 30, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Adjusted EBIT (E=C+D)	**2,349.39**	**752.24**	**2,272.77**	**3,304.06**	**2,424.81**
Total income (F)	21,660.06	18,521.36	37,009.25	36,945.23	27,437.85
Adjusted EBIT Margin (%) (G=E/F)	**10.85%**	**4.06%**	**6.14%**	**8.94%**	**8.84%**

**Not annualized for six months ended September 30, 2023 and September 30, 2022.*

Adjusted EBITDA* and Adjusted EBITDA Margin (%)*

Particulars	Six months ended September 30, 2023	Six months ended September 30, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
(Loss)/ profit before share of (loss)/ profit of an associate, exceptional item and tax (A)	(445.07)	836.31	2,250.00	(1,804.23)	1,819.14
Finance costs (B)	258.00	179.20	462.46	166.55	67.44
EBIT (C=A+B)	**(187.07)**	**1,015.51**	**2,712.46**	**(1,637.68)**	**1,886.58**
Depreciation and amortisation expense (D)	601.38	525.23	1,128.09	946.79	698.41
EBITDA (E=C+D)	**414.31**	**1,540.74**	**3,840.55**	**(690.89)**	**2,584.99**
Fair value changes to the financial instrument **(F)**	2,536.46	(263.27)	(439.69)	4,941.74	538.23
Adjusted EBITDA (G=E+F)	**2,950.77**	**1,277.47**	**3,400.86**	**4,250.85**	**3,123.22**
Total income (H)	21,660.06	18,521.36	37,009.25	36,945.23	27,437.85
Adjusted EBITDA Margin (%) (I=G/H)	**13.62%**	**6.90%**	**9.19%**	**11.51%**	**11.38%**

**Not annualized for six months ended September 30, 2023 and September 30, 2022.*

Net worth, Return on net worth (%)*, Net Asset value per equity share

Particulars	Six months ended September 30, 2023	Six months ended September 30, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Equity share capital (A)	286.13	143.07	286.13	143.07	13.01
Other equity (B)	5,317.72	6,758.45	6,885.76	6,076.69	8,835.46
Net worth / (Equity attributable to equity holders of the Parent) (C = A+B)	**5,603.85**	**6,901.52**	**7,171.89**	**6,219.76**	**8,848.47**
(Loss)/ profit attributable to equity holders of the parent for the period/ year (D)	(1,564.17)	686.08	948.55	(2,525.36)	1,227.05
Return on Net worth (%) (E=D/C)	**-27.91%**	**9.94%**	**13.23%**	**-40.60%**	**13.87%**
Weighted average number of equity shares outstanding during the period/ year (F)	143,064,350	143,064,350	143,064,350	143,064,350	143,064,350
Net asset value per equity share (G=C/F)	**39.17**	**48.24**	**50.13**	**43.48**	**61.85**

**Not annualized for six months ended September 30, 2023 and September 30, 2022.*

Return on Equity (%)*

Particulars	Six months ended September 30, 2023	Six months ended September 30, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
(Loss)/ profit for the period/ year (A)	(1,547.39)	690.85	978.17	(2,508.74)	1,234.35
Total equity (B)	5,682.34	6,938.33	7,233.74	6,251.71	8,871.35
Return on equity (%) (C=A/B)	**-27.23%**	**9.96%**	**13.52%**	**-40.13%**	**13.91%**

**Not annualized for six months ended September 30, 2023 and September 30, 2022.*

Adjusted return on equity (%)*

Particulars	Six months ended September 30, 2023	Six months ended September 30, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit/ (loss) for the period/ year (A)	(1,547.39)	690.85	978.17	(2,508.74)	1,234.35
Fair value changes to the financial instrument (B)	2,536.46	(263.27)	(439.69)	4,941.74	538.23
Adjusted Profit/ (loss) for the period/ year (C=A+B)	**989.07**	**427.58**	**538.48**	**2,433.00**	**1,772.58**
Total equity (D)	5,682.34	6,938.33	7,233.74	6,251.71	8,871.35
Put option liability (E)	12,612.50	10,252.46	10,076.04	10,515.74	5,574.00
Adjusted total equity (F=D+E)	18,294.84	17,190.79	17,309.78	16,767.45	14,445.35
Adjusted Return on equity (%) (G=C/F)	**5.41%**	**2.49%**	**3.11%**	**14.51%**	**12.27%**

**Not annualized for six months ended September 30, 2023 and September 30, 2022.*

Return on Capital employed (%)*

Particulars	Six months ended September 30, 2023	Six months ended September 30, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
(Loss)/ profit before share of (loss)/ profit of an associate, exceptional item and tax (A)	(445.07)	836.31	2,250.00	(1,804.23)	1,819.14
Finance costs (B)	258.00	179.20	462.46	166.55	67.44
EBIT (C=A+B)	**(187.07)**	**1,015.51**	**2,712.46**	**(1,637.68)**	**1,886.58**
Non-current borrowings (D)	1,009.96	1,369.32	1,154.96	133.33	11.61
Current borrowings (E)	6,067.55	5,863.20	4,214.77	3,446.20	959.03
Total equity (F)	5,682.34	6,938.33	7,233.74	6,251.71	8,871.35
Cash and Cash equivalents (G)	1,176.30	458.67	516.08	551.39	220.67
Bank balances other than cash and cash equivalents (H)	1,288.14	619.03	983.81	477.08	458.01
Fixed deposits with remaining maturity of more than 12 months (I)	94.49	73.47	76.33	133.13	205.71
Capital employed (J=D+E+F-G-H-I)	10,200.92	13,019.68	11,027.25	8,669.64	8,957.60
Return on Capital employed (%) (K=C/J)	**-1.83%**	**7.80%**	**24.60%**	**-18.89%**	**21.06%**

**Not annualized for six months ended September 30, 2023 and September 30, 2022.*

Adjusted Return on Capital employed (%)*

Particulars	Six months ended September 30, 2023	Six months ended September 30, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
(Loss)/ profit before share of (loss)/ profit of an associate, exceptional item and tax (A)	(445.07)	836.31	2,250.00	(1,804.23)	1,819.14
Finance costs (B)	258.00	179.20	462.46	166.55	67.44
EBIT (C=A+B)	(187.07)	1,015.51	2,712.46	(1,637.68)	1,886.58
Fair value changes to the financial instrument (D)	2,536.46	(263.27)	(439.69)	4,941.74	538.23
Adjusted EBIT (E=C+D)	**2,349.39**	**752.24**	**2,272.77**	**3,304.06**	**2,424.81**
Non-current borrowings (F)	1,009.96	1,369.32	1,154.96	133.33	11.61
Current borrowings (G)	6,067.55	5,863.20	4,214.77	3,446.20	959.03
Total equity (H)	5,682.34	6,938.33	7,233.74	6,251.71	8,871.35
Cash and Cash equivalents (I)	1,176.30	458.67	516.08	551.39	220.67
Bank balances other than cash and cash equivalents (J)	1,288.14	619.03	983.81	477.08	458.01
Fixed deposits with remaining maturity of more than 12 months (K)	94.49	73.47	76.33	133.13	205.71
Capital employed (L=F+G+H-I-J-K)	**10,200.92**	13,019.68	**11,027.25**	**8,669.64**	**8,957.60**
Put option liability (M)	12,612.50	10,252.46	10,076.04	10,515.74	5,574.00

Particulars	Six months ended September 30, 2023	Six months ended September 30, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Adjusted capital employed (N=L+M)	**22,813.42**	**23,272.14**	**21,103.29**	**19,185.38**	**14,531.60**
Adjusted return on capital employed (%) (O=E/N)	**10.30%**	**3.23%**	**10.77%**	**17.22%**	**16.69%**

**Not annualized for six months ended September 30, 2023 and September 30, 2022.*

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of our Company and Akumentis Healthcare Limited, Akums Healthcare Limited, Akums Lifesciences Limited, Malik Lifesciences Private Limited, Maxcure Nutravedics Limited, Nicholas Healthcare Limited, Plenteous Pharmaceuticals Limited, Pure and Cure Healthcare Private Limited; and Sarvagunaushdhi Private Limited, for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 (collectively, the "**Audited Financial Statements**") are available on our website at https://www.akums.in/investors/.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation to purchase or sell any securities under the Companies Act, 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision.

None of our Company or any of its advisors, nor Book Running Lead Managers or the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as per the requirements under applicable Accounting Standards i.e. Ind AS 24 'Related Party Disclosures' for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, and as reported in the Restated Consolidated Financial Information, see "*Restated Consolidated Financial Information – Note 45– Related party disclosures*" on page 293.

FINANCIAL INDEBTEDNESS

Our Company and its Subsidiaries have availed loans in the ordinary course of business for the purposes of meeting working capital requirements and business requirements.

For details regarding the borrowing powers of our Board, see "*Our Management – Borrowing Powers of Board*" on page 225.

Set forth below is a table of the aggregate borrowings of our Company and its Subsidiaries on a consolidated basis as of December 31, 2023:

(₹ in million)

Category of borrowing	Sanctioned amount	Outstanding amount as on December 31, 2023
Secured (A)		
Fund-Based		
Term Loans	2,162.00	1,350.46
Short Term Loans	1,000.00	1,000.00
Working Capital facilities	9,520.00	2,776.78
Cash Credit (Non Interchangeable)	850.00	59.53
Cash Credit (Interchangeable)	Interchangeable with Working Capital limit	3.21
Overdraft facilities	17.25	0.00
Non-Fund Based		
Bank Guarantee	Non Interchangeable 50.00	14.13
Bank Guarantee	Interchangeable with Working Capital Limits	148.31
Letter of Credit	Non Interchangeable 50.00	0.00
Letter of Credit	Interchangeable with Working Capital Limits	328.90
Total (A)	**13,649.25**	**5,681.32**
Unsecured (B)*		
Total (B)	**0.00**	**0.00**
Total (A+B)	**13,649.25**	**5,681.32**

As certified by T A M S & CO LLP, Chartered Accountants pursuant to certificate dated February 10, 2024.

** Does not include intra corporate loans.*

Principal terms of the outstanding borrowings availed by our Company:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by our Company.

1. ***Interest*****:** The interest rate for the working capital facilities and term loans availed by our Company ranges from 7.30% to 9.54%. The interest rate for the working capital facilities availed from various banks is tied to the Marginal Cost of Funds based Lending Rate ("**MCLR**"). In some instances, the interest rate is applicable as per the standard rates for few components of working capital facilities such as bank guarantee and import/inland letter of credit.

2. ***Tenor*****:** In respect of working capital facilities and term loans, the tenor varies from instrument to instrument. For instance, the period of sanction for letter of credit and bank guarantee in certain instruments is up to 30 months and the tenor of letter of credit varies basis demand/usance up to 30 days to 120 days.

3. ***Security*****:** In terms of our borrowings where security needs to be created, we are typically required to create security by way of first *pari passu* charge by way of hypothecation on present and future goods, book debts and all other moveable assets and by way of equitable mortgage on industrial property.

4. ***Pre-payment*****:** In respect of the working capital facility availed by our Company from Citibank N.A., prepayment is allowed subject to the payment of 2% of the prepaid amount as pre-payment charges. For Term loans availed from Hong Kong and Shanghai Banking Corporation Limited, any cancellation or prepayment will be subject to funding penalties at the bank's discretion. However, there is are penalties for cancellation or prepayment on the interest reset date. For working capital facilities from HDFC Bank Limited and YES Bank Limited, prepayment is allowed with no charges.

5. ***Re-payment*****:** The working capital facilities and term loans availed by our Company are repayable on demand, in most cases. In certain instances, for example, in respect of facilities availed from HDFC Bank Limited, YES Bank Limited, State Bank of India Limited and Citibank N.A., repayment is allowed on the last day of the term, unless the bank itself allows for a roll over.

6. ***Key covenants*****:** In accordance with our facility agreements and sanction letters, we are required to comply with various financial covenants and conditions restricting certain corporate actions, and we are required to take the lender's prior consent and/ or intimate the respective lender before carrying out such corporate actions, typically including, but not limited to the following:

(a) effecting any change in Company's capital structure;

(b) transfer of controlling interest or drastic changes in the management set up;

(c) alteration to certification of incorporation, memorandum of association or articles of association;

(d) issuance of unissued share capital or creation of new shares;

(e) implementing any scheme of expansion/ diversification/ modernisation other than incurring routine capital expenditure;

(f) undertaking further capital expenditure, except for maintenance and being funded by our Company's own resources;

(g) effecting changes in the shareholding of Directors, principal shareholders and Promoters;

(h) formulation of any scheme of amalgamation or reconstruction;

(i) availing any credit facility or accommodation from any bank or financial institution;

(j) undertaking guarantee obligations on behalf of a third party or any other company;

(k) undertaking changes to the accounting system, being currently followed unless expressly required by applicable law;

(l) making any corporate investments or investment by way of share capital or debentures;

(m) declaration of dividends in case of default to pay interest/commission/ instalments in relation to the underlying facility;

(n) appointment of various intermediaries (including investment banks, escrow collection banks, public issue account banks and refund banks) and advisors;

(o) opening of new bank accounts for the purpose of the Offer;

(p) further investments by our Company in any other company or entity; and

7. ***Events of default*****:** Borrowing arrangements entered into by our Company contain standard events of default, including, among others:

(a) failure to repay the facility or interest or any portion thereof when demanded by the bank;

(b) breach of covenants, obligations, terms or conditions, warranties or undertakings to be observed or performed by our Company, as contained in the finance documents and failure of our Company to remedy the same forthwith;

(c) change in constitution, management or existing ownership or control of our Company including by reason of liquidation, amalgamation, merger or reconstruction;

(d) occurrence of circumstances which in the opinion of the lenders is prejudicial to or imperils the security provided under the finance documents;

(e) security created in favour of other lenders becomes enforceable;

(f) levy of distress or execution against any property or assets of our Company;

(g) appointment of receiver or liquidator;

(h) suspension or cessation of business or failure to conduct business to the satisfaction of the lenders;

(i) incorrect or misleading information in any material particular in our Company's proposals furnished to the lenders;

(j) reasonable apprehension that Company is unable to pay its debts;

(k) commencement of proceedings for voluntary or compulsory liquidation;

(l) sale, disposal, encumbrance, alienation of any land, buildings, structures, plant or machinery without the prior approval of the lenders; and

(m) properties and assets offered as security to the lenders are not insured.

This is an indicative list and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by our Company.

8. ***Consequences of occurrence of events of default*:** In terms of our facility agreements and sanction letters, the following, among others, are the consequences of occurrence of events of default, whereby the lenders may:

(a) terminate the facilities and/or declare all the amounts under the facilities as immediately due and payable;

(b) charge a higher rate of interest over and above the agreed/stipulated rate of interest or as may be laid down by RBI from time to time, without any notice, if the default persists;

(c) suspend further access and withdrawals by the Company;

(d) terminate or prematurely close all or any part of our deposits before the maturity date and/or remove the sum total of deposit in the fixed deposit account and/ or set off the whole or any part of the deposit towards satisfaction of secured liability; and

(e) sell, dispose, transfer, lease, license, assign or deal with all or any part of the hypothecated property.

This is an indicative list and there may be such other additional terms, conditions and requirements under the various borrowing arrangements entered into by our Company.

For the purposes of the Offer, we have obtained necessary consents from our lenders as required under the relevant loan documentations for undertaking activities relating to the Offer.

For details in relation to risks associated with our outstanding indebtedness, see "*Risk Factors – Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, financial condition, cash flows and results of operations.*" on page 41.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at September 30, 2023, on the basis of amounts derived from our Restated Consolidated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "***Risk Factors***", "***Restated Consolidated Financial Information***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***", on pages 27, 244 and 333, respectively.

(₹ in million)

Particulars	Pre-Offer as at September 30, 2023	Adjusted for the proposed Offer
Total borrowings		Refer note below*
Current borrowings$	5,611.53	
Non-current borrowings# **(A)**	1,009.96	
Current maturities of non-current borrowings **(B)**	456.02	
Total borrowings (C)	7,077.51	
Total equity		
Equity share capital#	286.13	
Other equity	5,317.72	
Non – controlling interests	78.49	
Total equity (D)	5,682.34	
Non-current borrowings (including current maturities of non-current borrowings) (A+B) / Total Equity (D)	0.26	

Notes:

$ *This excludes current maturities of non-current borrowings.*

* *The corresponding post Offer capitalization data is not determinable at this stage pending the completion of the Book Building Process and hence have not been furnished. To be updated upon finalization of the Offer Price.*

These terms shall carry the meaning as per Schedule III of the Companies Act.

The above has been computed on the basis on amounts derived from the Restated Consolidated Financial Information.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with our Restated Consolidated Financial Information included herein as of and for the six months ended September 30, 2023 and September 30, 2022 and the Financial Years 2023, 2022 and 2021, including the related notes, and schedules. Our Restated Consolidated Financial Information have been prepared in accordance with Ind AS and restated in accordance with the requirements of Section 26 of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note. Ind AS differs in certain material respects from IFRS and US GAAP. See "Risk Factors – External Risk Factors – Significant differences exist between Ind AS used to prepare our financial information and other accounting principles, such as IFRS and U.S. GAAP, with which investors may be more familiar." on page 52.

Our Company's Financial Year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Financial Year are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information for Financial Years ended March 31, 2021, 2022 and 2023 and the six months ended September 30, 2023 included herein is derived from the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus. For further information, see "Restated Consolidated Financial Information" on page 244. Unless otherwise indicated or the context otherwise requires, in this section, references to "we", "us" and "our" are to the Company together with its Subsidiaries and erstwhile associate on a consolidated basis.

*Unless otherwise indicated, industry and market related data used in this section have been derived from the report titled "Independent Market Research on the Overview of the Global and Indian Contract Development & Manufacturing Organization Industry" dated February 8, 2024 (the "**F&S Report**"), prepared and released by Frost & Sullivan (India) Private Limited ("**F&S**"), which has been exclusively paid and commissioned for by our Company pursuant to an engagement letter dated October 7, 2023, for the purpose of confirming our understanding of the industry we operate in, in connection with the Offer. The F&S Report will be available on the website of our Company at https://www.akums.in/investors/. The data included herein includes excerpts from the F&S Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the Offer), that has been left out or changed in any manner. See "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" and "Risk Factors — Internal Risk Factors — This Draft Red Herring Prospectus contains information from third parties, including an industry report prepared by an independent third-party research agency, Frost & Sullivan (India) Private Limited, which we have commissioned and paid for, for the purpose of confirming our understanding of the industry we operate in, exclusively in connection with the Offer" on pages 16 and 53, respectively.*

This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under "Forward-looking Statements" and "Risk Factors" on pages 19 and 27, respectively.

Overview

Established in 2004, we are a pharmaceutical contract development and manufacturing organization ("**CDMO**") offering a comprehensive range of pharmaceutical products and services in India and overseas. As one of the leading CDMOs in India, we own the intellectual property for the manufacturing processes of several of our formulations, and our core business is focused on providing end-to-end product development and manufacturing solutions to our clients. Some of our other services include formulation research and development ("**R&D**"), preparation and filing of regulatory dossiers in the Indian and global markets, and other testing services. In addition to our core CDMO business, we are also engaged in the manufacturing and sale of branded pharmaceutical formulations and active pharmaceutical ingredients ("**APIs**").

We are the largest India-focused CDMO in terms of revenue, production capacity and clients served during the Financial Year 2023 (among CDMOs assessed by F&S) (Source: *F&S Report*). As a CDMO, we produce an extensive range of dosage forms including tablets, capsules, liquid orals, vials, ampoules, blow-filled seals, topical preparations, eye drops, dry powder injections, and gummies, among others (Source: *F&S Report*). During the Financial Year 2023, we had a market share of 29.4% of the Indian domestic CDMO market by value, which increased from 26.7% during the Financial Year 2021 (Source: *F&S Report*). The Indian domestic CDMO market is forecasted to grow at a CAGR of 14.0% between Financial Year 2023 and Financial Year 2028, nearly doubling its historical growth rate (Source: *F&S Report*). Moreover, the market size of Indian domestic CDMO market is forecasted to grow to USD 2.9 billion during Financial Year 2028 (Source: *F&S Report*).

Since our inception, we have manufactured 4,025 commercialised formulations across over 60 dosage forms. During the Financial Year 2023, we manufactured formulations for 26 of the leading 30 pharmaceutical companies in terms of sales in India (Source: *F&S Report*). For our CDMO business, we operate 10 manufacturing units, with a cumulative formulations manufacturing capacity of 49.21 billion units annually, as of September 30, 2023. Further, we expect that two additional manufacturing units for our CDMO business will become operational in Financial Year 2025. Some of our manufacturing units have been accredited by various global regulatory agencies such as the European Good Manufacturing Practice ("**EU-GMP**"), the World Health Organization Good Manufacturing Practice ("**WHO-GMP**") and the United States National Sanitation Foundation ("**US NSF**"). During the six months ended September 30, 2023, and the Financial Years 2023, 2022 and 2021, our manufacturing units were subject to 31 inspections by regulators and 517 audits by our clients (Source: *F&S Report*). For key details of our manufacturing units, including accreditations and certifications received from Indian and foreign government agencies, see "***— Our Manufacturing Units***" on page 183.

Our longstanding relationships with our clients are characterized by a commitment to consistency and trust. As of September 30, 2023, key clients for our CDMO business include Alembic Pharmaceuticals, Alkem Laboratories, Blue Cross Laboratories, Cipla, Dabur India, Dr. Reddy's Laboratories, Hetero Healthcare, Ipca Laboratories, Mankind Pharma, MedPlus Health Services, Micro Labs, Mylan Pharmaceuticals, Natco Pharma, Sun Pharmaceutical Industries, UCB, and Amishi Consumer Technologies (The Mom's Co), among others. The image below includes some of our key clients for our CDMO business.

For our CDMO business, we have benefitted from repeat orders in the past five years from 36 of our 50 largest clients in terms of revenue, as of September 30, 2023. This reflects the quality of our products and services and our commitment to meeting the evolving needs of our clients. Our client relationships have matured over time. As of September 30, 2023, 30 of our 50 largest clients in terms of revenue have a legacy of more than ten years with us, and their revenue contribution has grown from ₹9,948.21 million during Financial Year 2021 to ₹12,900.83 million during Financial Year 2023. This demonstrates consistency, reliability, expertise and cost efficiencies that we believe we bring to our clients.

The table below sets out the composition of our client base for our CDMO business and revenue contributions from our ten largest clients by revenue in our CDMO business, for the six months ended September 30, 2023 and the Financial Years 2023, 2022 and 2021:

Particulars	Six months ended September 30, 2023	Financial Year 2023	Financial Year 2022	Financial Year 2021
Client base for CDMO business(1)	1,345	1,543	1,386	1,161
Revenue contributions from our ten largest clients by revenue in our CDMO business (in %)	43.35	38.92	41.27	36.16

(2) Comprising Indian and multinational pharmaceutical and wellness companies.

Our commitment to innovation and continuous improvement has enabled us to remain at the forefront of pharmaceutical advancement in India. Our R&D teams are dedicated to developing an expansive product portfolio with differentiated dosages, and further enhancing manufacturing processes. Our focus on R&D has resulted in the development of 208 innovative formulations since the commencement of our operations. As of September 30, 2023, we operate four dedicated R&D units, of which two are approved by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India, and a team of 332 R&D scientists. As of September 30, 2023, we have secured approval from the Drug Controller General of India ("**DCGI**") for 901 formulations and have been granted approval for five patents. Further, as of the date of this Draft Red Herring Prospectus, we have received approval from the Food Safety and Standards Authority of India ("**FSSAI**") for 862 formulations. We also received approvals from the DCGI for 69 formulations during the Financial Year 2023 (Source: *F&S Report*).

In addition to our core CDMO business, we actively engage in marketing our own branded formulations in India and across global markets, and have established a domestic and international presence through our Subsidiaries, Akumentis and Unosource, respectively. Through Akumentis, we focus on therapy areas such as gynaecology, cardiology, orthopaedic and paediatric. Utilizing our field force of 1,525 individuals, as of September 30, 2023, we have established a domestic marketing and distribution network of medical representatives, field managers, distributors and retailers and sell over 200 brands, as of September 30, 2023. Through Unosource, we focus on therapy areas such as anti-infectives, analgesics, central nervous system, and gynaecology. As of September 30, 2023, our international presence extends across 60 countries, and our key clients include Allegens (Vietnam), Ambica International (Philippines), Caferma SAC (Peru), JDS (Myanmar), Master Pharma (Cambodia), Olainfarm (Latvia), Pharma Apex (Myanmar), Planet Pharmaceutical (Tanzania), and Unisel (Kenya), among others. The image below includes some of our key international clients.

We also engage in the marketing of trade generic and private label products through distributors and alternative channels across India.

Our Company acquired Akums Lifesciences Limited (formerly Parabolics Drugs Limited) in 2021, and following a scheme of arrangement approved by the National Company Law Tribunal, New Delhi, on October 17, 2023, Akums Lifesciences Limited merged with PCHL with effect from April 1, 2022. As part of this acquisition, we acquired manufacturing units in Dera Bassi and Lalru in Punjab and Barwala in Haryana, and an R&D centre in Barwala, Haryana and commenced operations in the manufacture and sale of key starting materials, intermediates and APIs. Our specialization extends to the development and sale of APIs across diverse chemical processes and therapeutic areas such as anti-infectives, respiratory and diabetes, among others. As of September 30, 2023, we have an installed API manufacturing capacity of 737.38 MT.

We are led by a professional and experienced management team comprising qualified Key Managerial Personnel and Senior Management Personnel. Our co-founders, Promoters and managing directors, Mr. Sanjeev Jain and Mr. Sandeep Jain, both have extensive experience in the Indian pharmaceutical industry. They are mentored by Mr. D. C. Jain, and are supported by Ms. Arushi Jain and Mr. Kanishk Jain, who manage our business excellence at Akums and strategy at Akumentis, respectively. Ruby QC Investment Holdings Pte. Ltd., which is backed by Quadria Capital, a prominent healthcare focused private equity fund in Asia, holds 15.09% of our fully subscribed and paid-up Equity Share capital.

Significant Factors Affecting our Results of Operations

Our Manufacturing Capabilities

Our manufacturing capacities across dosage forms are a key driver for the growth of our revenue from operations. As of September 30, 2023, we operate 10 manufacturing units for our CDMO business, with a cumulative formulations manufacturing capacity of 49.21 billion units annually. See "*Our Business – Description of Our Business — Our Manufacturing Units*" beginning on page 183 for our production capacities and capacity utilization. In order to continue to grow our manufacturing capabilities for our CDMO business, it is essential for us to increase our formulations manufacturing capacity across multiple dosage forms by pursuing strategic acquisitions, building additional manufacturing units and driving efficiencies in our existing production lines by leveraging technology and improving human intervention.

It is also important for us to focus on improving capacity utilization at our manufacturing units. Higher capacity utilization means higher volumes of products manufactured, which in turn drives our sales of products and revenue from operations. The following table sets out our production volume and capacity utilization by dosage forms over the six months ended September 30, 2023 and the Financial Years 2023, 2022 and 2021:

Particulars	**As of/for the six months ended September 30, 2023**		**As of/for the year ended March 31,**					
			2023		**2022**		**2021**	
	Installed capacity (*production volume in million*)	**Capacity utilization as % of installed capacity**	**Installed capacity (*production volume in million*)**	**Capacity utilization as % of installed capacity**	**Installed capacity (*production volume in million*)**	**Capacity utilization as % of installed capacity**	**Installed capacity (*production volume in million*)**	**Capacity utilization as % of installed capacity**
Oral solids	47,888.78	38.52%	47,878.78	32.16%	44,138.20	41.47%	37,984.20	44.75%
Sterile	744.20	50.32%	744.20	46.95%	722.40	52.54%	722.40	40.33%
Liquids	417.60	37.88%	417.60	31.05%	283.20	52.51%	279.60	28.43%
External	158.40	34.62%	158.40	25.21%	158.40	23.25%	158.40	21.12%

Note: Information relating to the installed manufacturing capacity and capacity utilization of our manufacturing units is based on several assumptions and estimates of our management. For details, see "Our Business - Description of our Business - Our Manufacturing Units - Capacity Utilization - Annual Production Capacity" on page 187.

Following the acquisition of Parabolic Drugs by our Company in 2021, we commenced API manufacturing. We acquired manufacturing units in Dera Bassi, Lalru and Barwala, and as of September 30, 2023, our API manufacturing units have a production capacity of 737.38 MT for APIs. We expect API manufacturing to be an important driver of our future growth and continue to explore opportunities to increase our API manufacturing capabilities. Manufacturing APIs over time will also assist us in vertical integration which would be a key factor in improving margins.

A slowdown or shutdown of our manufacturing units could have an adverse effect on our results of operations. See "*Risk Factors – Internal Risk Factors – Risks relating to our business and operations – Any slowdown or shutdown in our manufacturing and research and development operations could have an adverse effect on our business, results of operations, financial condition and cash flows.*" beginning on page 28.

Our Diverse and Longstanding Client Base

Our results of operations significantly depend upon our relationships with clients. Our core CDMO business services a large and diverse client base, both in India and overseas. By leveraging our understanding of the regulatory environment, we provide assistance to our clients through our dedicated team of experts, guiding our client base through the intricacies of evolving regulatory issues and requirements. Our client base includes pharmaceutical companies, nutraceutical companies, cosmo-derma companies, wellness companies, e-commerce companies, healthcare providers and central and state government entities.

Having commenced operations as a CDMO in 2004, as of September 30, 2023, we manufactured formulations for 26 of the leading 30 pharmaceutical companies in the Indian pharmaceutical market (Source: *F&S Report*). Our longstanding relationships with our clients are characterized by a commitment to consistency and trust. For our CDMO business, we have benefitted from repeat orders in the past five years from 36 of our 50 largest clients in terms of revenue, as of September 30, 2023. This reflects the quality of our products and services and our commitment to meeting the evolving needs of our clients.

We have low client concentration in our CDMO business, and the table below sets out the revenue contributions from our ten largest clients by revenue for the six months ended September 30, 2023 and the Financial Years ended 2023, 2022 and 2021:

Particulars	**Six months ended September 30, 2023**	**Financial Year 2023**	**Financial Year 2022**	**Financial Year 2021**
Revenue contributions from our ten largest clients by revenue in our CDMO business (%)	43.35	38.92	41.27	36.16

We continually look to onboard new clients and expand our client base which, for our CDMO business, has grown from 1,161 clients during Financial Year 2021 to 1,345 clients for the six months ended September 30, 2023. To continue to increase our revenues from our existing clients, it is critical for us to maintain the quality of our products and services, effectively market our products and services, keep up with market trends, and ensure that our manufacturing capabilities are able to meet client demand.

Our CDMO Product Range and Expansion of our Formulations and API Businesses

As a CDMO, we produce an extensive range of dosage forms including tablets, capsules, liquid orals, vials, ampoules, blow-filled seals, topical preparations, eye drops, dry powder injections, and gummies, among others (Source: *F&S Report*). The diversity of our dosage forms is not only a key factor in our strong results of operations but it also helps us mitigate risk as the pharmaceutical landscape evolves. Since our inception, we have commercialized 4,025 formulations across over 60 dosage forms. A change in our range of dosage forms, SKUs and commercialized formulations will have a direct impact on our results of operations.

In addition to our core CDMO business, we actively engage in marketing our own branded formulations in India and across overseas markets. Operating through our subsidiary, Akumentis, our domestic branded formulations business spans across gynaecology, cardiology, orthopaedics, paediatrics, and dermatology, featuring a portfolio of more than 200 brands distributed among twelve therapy areas. We continue to focus on expanding our brand presence in India, increasing our geographical reach in the country, encouraging deeper collaboration with the scientific community, and developing products in new therapeutic areas.

As part of our growth strategy, we aim to expand our global presence, enter new markets and further diversify our operations. Our geographies for growth cover countries in Latin America, Europe, Middle East, Africa and South East Asia. The table below sets forth our revenues from operations within and outside India:

Particulars	**For the six months ended September 30, 2023**		**For the Financial Year**					
			2023		**2022**		**2021**	
	(₹ in millions)	**% of total revenue from operations**	**(₹ in millions)**	**% of total revenue from operations**	**(₹ in millions)**	**% of total revenue from operations**	**(₹ in millions)**	**% of total revenue from operations**
Revenue from operations – within India	19,945.62	92.72%	34,231.47	93.66%	35,726.30	97.30%	26,463.66	97.20%
Revenue from operations – outside India	1,565.76	7.28%	2,316.73	6.34%	992.63	2.70%	762.63	2.80%

As a manufacturer of APIs, we plan to develop a comprehensive portfolio of complex APIs for both captive consumption and third-party contract manufacturing within India. It is also important for us to develop APIs while achieving process and cost efficiencies. By continuing to invest in R&D, we strive to optimize manufacturing processes, ensuring competitiveness in the market and long-term sustainability.

See "*Our Business – Our Strategies*" and "*Risk Factors – Internal Risk Factors – Risks relating to our business and operations – Our inability to successfully implement our business plan and growth strategy could have an adverse effect on our business, results of operations, financial condition and cash flows.*" beginning on pages 176 and 34, respectively.

Our R&D Initiatives

Innovation and new product development is critical to our growth of revenue from operations and profitability, and our commitment to innovation and continuous improvement has enabled us to remain at the forefront of pharmaceutical advancement in India. Our R&D teams are dedicated to developing an expansive product portfolio with differentiated dosages, and further enhancing manufacturing processes. Our R&D capabilities and significant manufacturing operations enable us to discover, develop and manufacture our CDMO products in a cost-efficient and timely manner. Through our R&D initiatives, we have developed over 208 innovative formulations since the commencement of our operations. As of September 30, 2023, we operate four dedicated R&D units of which two units are approved by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India. As of September 30, 2023, our R&D units were equipped with 332 R&D scientists employed by us on a full-time basis.

We continue to prioritize R&D across a wide range of therapy areas and dosage forms. This includes a commitment to develop dossiers for our formulations for expansion into global regulated markets. Our objective is to market products under our own brand in overseas markets, as well as provide an avenue for co-operation with other global manufacturers in developing products and transferring technologies. Moreover, we continue to ensure that our R&D team collaborates with our wider teams to understand the evolving needs of our client base and ensure we develop and produce products that meet their demands.

See "*Risk Factors – Internal Risk Factors – Risks relating to our business and operations – Our success depends on our ability to successfully develop and commercialize new products in a timely manner. Any failure to do so could adversely affect our business, results of operations and financial condition.*" beginning on page 30 for risks associated with our failure to leverage our R&D initiatives.

Our Quality Control Standards

We believe that maintaining adequate control of the quality of our products is critical to our success and continued growth. We have formulated and adopted a quality control policy prescribing stringent quality control practices to ensure optimal quality standards are maintained. Our manufacturing units are accredited by a number of global regulatory agencies, who regularly carry out quality control inspections to ensure we meet these standards. We are also subject to regular audits from our clients.

To ensure operational efficiency and quality optimization, our manufacturing units are specialized and customised to produce specific product types. For instance, we have established a specialized penem plant that adheres to global standards, producing oral, dry syrup, and injectable dosage forms, ensuring the highest quality and prevention of cross-contamination. We also have a dedicated facility for hormonal products across tablets, capsules, sterile and topical dosage forms.

We have incurred significant expense to ensure that we have the adequate human capital to meet prescribed quality control standards. As of September 30, 2023, we had 2,132 employees in our quality assurance and quality control teams, respectively. We also leverage technology to ensure quality control and compliance across our operations, through the use of e-QMS and LIMS. Moreover, during the six months ended September 30, 2023 and the Financial Years 2023, 2022 and 2021, we conducted 303 audits at our suppliers' facilities.

We have also made investments towards infrastructure and technology to support our quality assurance and quality control teams. For instance, in 2010, we have established a stability centre and testing lab at Upadhrish, Haridwar, to conduct stability studies for our manufacturing operations. Our stability centre is in compliance with ICH Q1A (R2) – Stability testing of new drug substances and drug products' guidelines issued by the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use. If we are unable to maintain our quality control standards, our results of operations could be adversely affected. During the six months ended September 30, 2023 and the Financial Years 2023, 2022 and 2021, we have faced instances where our products were either voluntarily recalled by us or returned by our clients due to quality control issues. The table below sets out details of our sales returns on a segment-wise basis for the six months ended September 30, 2023 and the Financial Years 2023, 2022 and 2021:

Segment	**For the six months ended September 30, 2023**		**For the Financial Year**					
			2023		**2022**		**2021**	
	Sales Returns (₹ in millions)	**% of segment revenue from operations**	**Sales Returns (₹ in millions)**	**% of segment revenue from operations**	**Sales Returns (₹ in millions)**	**% of segment revenue from operations**	**Sales Returns (₹ in millions)**	**% of segment revenue from operations**
CDMO	109.52	0.65	153.41	0.56	101.53	0.38	51.41	0.24
Branded and generic formulations	360.29	9.55	881.32	11.68	633.02	7.02	398.53	6.82
API	20.84	2.23	145.16	8.19	1.26	0.11	–	–

See also "*Risk Factors – Internal Risk Factors – Risks relating to our business and operations – Any manufacturing or quality control concerns or our inability to deliver products on a timely basis, or at all, could result in the cancellation of purchase orders, breaches of relevant agreements, and termination of agreements by our clients and distributors.*" on page 28.

Availability of Raw Materials at Competitive Prices

We rely on a number of suppliers for the raw materials required for our manufacturing operations. The cost of raw materials, which we source from India and overseas, makes up a significant proportion of our total operating expenses. Our cost of materials consumed for the six months ended September 30, 2023 and the Financial Years 2023, 2022 and 2021 was ₹11,830.93 million, ₹20,280.85 million, ₹20,385.94 million and ₹12,837.93 million, respectively, constituting 53.52%, 58.35%, 52.61% and 50.11% of our total expenses, respectively.

The raw materials required for our CDMO business include those necessary for the production of APIs, excipients, and various packaging materials. We also source raw materials utilized in the creation and distribution of finished pharmaceutical formulations, and the manufacturing of key starting materials, intermediates, and solvents. The availability and cost of the raw materials required by us can fluctuate based on a number of factors including changes in government policy, currency fluctuations, customer demand, large disease outbreaks such as the COVID-19 pandemic and the geopolitical environment. We source most of our raw materials from a small group of suppliers with whom we have developed successful and long-term relationships, and we believe that using the same group of suppliers helps drive cost efficiencies and ensures consistent quality standards. See also "*Our Business – Description of our Business – Raw Materials*" and "*Risk Factors – We import some of our raw materials from China and other countries. Any delay, interruption or reduction in the supply of such raw materials could adversely affect our business, financial condition and results of operations*" on pages 188 and 33, respectively.

We enter into master agreements with our suppliers and procure raw materials on a purchase order basis, with the price negotiated for each purchase order. We also only source materials after receiving client orders. While this approach helps us maintain flexibility, reduce wastage, and ensure access to raw materials in a cost-efficient manner, it could expose us to potential delays in developing products in the event of a shortage of key raw materials required for our businesses. Our cost of raw materials has fluctuated over the last three financial years and the six months ended September 30, 2023, and may increase rapidly due to increased customer demand. We seek to reduce such risk by diversifying our procurement base, while also relying more heavily on Indian suppliers. While we are able to pass on the risk to our customers in some instances based on the price negotiated per purchase order, an inability to do so could have an adverse effect on our results of operations.

The table below sets out purchases of raw materials from our ten largest suppliers of raw materials, purchases from domestic suppliers and imports, including as a percentage of our total cost of raw material purchased:

Particulars	For the six months ended September 30, 2023		For the Financial Year					
			2023		2022		2021	
	(₹ in millions)	% of total cost of raw material purchased	(₹ in millions)	% of total cost of raw material purchased	(₹ in millions)	% of total cost of raw material purchased	(₹ in millions)	% of total cost of raw material purchased
CDMO business								
Purchases of raw materials from our ten largest suppliers	2,492.52	29.79	3,557.73	24.30	3,601.25	21.96	2,624.97	25.32
Purchases of raw materials from domestic suppliers	7,151.55	85.48	12,728.44	86.92	14,746.92	89.92	9,287.82	89.60
Direct imports of raw materials	1,215.26	14.52	1,914.90	13.08	1,653.31	10.08	1,077.63	10.40
Branded and generic formulations business*								
Purchases of raw materials from our ten largest suppliers	1,504.27	85.95	3,042.41	75.94	3,768.70	59.92	2,846.07	67.87
Purchases of raw materials from domestic suppliers	1,750.14	100.00	3,963.20	98.93	6,079.39	96.65	4,097.91	97.72
Direct imports of raw materials	-	-	42.98	1.07	210.46	3.35	95.43	2.28
API business								
Purchases of raw materials from our ten largest suppliers	218.18	65.43	412.17	51.77	978.62	68.45	14.18	94.61
Purchases of raw materials from domestic suppliers	333.36	99.96	765.21	96.12	635.39	44.44	14.99	100.00
Direct imports of raw materials	0.12	0.04	30.92	3.88	794.27	55.56	-	-

* *Includes inter-company transactions as under our branded and generic formulations business, we carry out trading activities.*

See "Risk Factors – Internal Risk Factors – Risks relating to our business and operations – We rely on domestic and international third-party suppliers for the supply of raw materials and any delay, interruption or reduction in such supply could adversely affect our business, results of operations, financial condition and cash flows." beginning on page 29.

Employee Costs and Availability

Our results of operations and growth also depend on our ability to attract and retain qualified employees. Our operations are labour intensive, making managing employee benefit expense a key factor towards driving profitability. As of September 30, 2023, we employed a total of 16,463 personnel, including 7,211 full-time employees and 9,252 personnel on a contractual-basis across our business. For more details, see "*Our Business – Employees*" on page 192.

For the six months ended September 30, 2023 and the Financial Years 2023, 2022 and 2021, our employee benefit expense aggregated to ₹3,204.26 million, ₹5,901.33 million, ₹5,077.58 million and ₹4,245.50 million, respectively, constituting 14.50%, 16.98%, 13.10% and 16.57% of our total expenses, respectively. As our business and operations have grown, due to the nature of our business, our employee benefits expense has also increase in absolute terms. However, our focus on cost efficiencies has led to such expense as a percentage of revenue from operations being limited within the range of 13% to 16% for the periods presented.

Summary of Material Accounting Policies

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to our Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. We use valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial results are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the Restated Consolidated Financial Information on a recurring basis, we determine whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case. For the purpose of fair value disclosures, we have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Revenue Recognition

The five step model of Ind AS 115 - 'Revenue from Contracts from Customers' used to determine whether revenue should be recognised at a point in time or over time, and at what amount is as below:

- Step 1: Identify the contract with the customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue from sale of goods is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which we expect to receive in exchange for those products, and which coincides with the dispatch of goods. Revenue from services is recognised in accordance with the terms of contract when the services are rendered and the related costs are incurred. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes goods and service tax ("**GST**") collected from customers, since GST is not received by us on our own account. Rather, it is the collected tax on value added to the commodity/services by the seller, on behalf of the Government and, therefore, these are not economic benefits flowing to us. Accordingly, it is excluded from revenue. Revenue from the sale of goods is net of returns.

We account for sales returns accrual by recording an allowance for sales returns concurrent with the recognition of revenue at the time of a product sale. This allowance is based on our estimate of expected sales returns. We deal in various products and operate in various markets. Accordingly, the estimate of sales returns is determined primarily by our historical experience in the markets in which we operate. With respect to established products, we consider our historical experience of sales returns, levels of inventory in the distribution channel, estimated shelf life, product discontinuances, price changes of competitive products, and the introduction of competitive new products, to the extent each of these factors impact our business and markets. We recognise an asset i.e., right to recover products from customer (included in other current assets) for the products expected to be returned. We initially measure this asset at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. Along with remeasuring the refund liability at the end of each reporting period, we update the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Other Income

Other income comprises primarily of interest income, exchange gain/loss on translation of monetary assets and liabilities, etc.

Interest

Interest income is recognised as and when due on the time proportion basis by using effective interest method ("**EIR**"). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial assets. Interest income is included under the head 'other income'.

Inventories

Inventories include raw material, stores and spares, finished goods, work in progress, stock-in-trade and packing material. Inventories are stated at lower of cost or net realisable value. The cost in respect of the various items of inventory is computed as under:

- Raw materials and packing materials are valued at lower of cost or net realisable value. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. The cost includes direct expenses and is determined on the basis of weighted average method.

- Stores and spares are valued at cost or net realisable value, whichever is less. Cost is computed on weighted average basis.

- Work in progress is valued at estimated cost. The cost includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads as applicable and other costs incurred in bringing the inventories to their present location and condition.

- Finished goods are valued at estimated cost or net realisable value, whichever is less. The cost includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, as applicable and other costs incurred in bringing the inventories to their present location and condition.

- Stock-in-trade is valued at cost or net realisable value, whichever is less. Cost includes cost of purchase, other costs incurred in bringing the inventories to their present location and condition and taxes which are not eligible for setoff. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses. Provision for expired stock and slow moving inventory, if required, is made based on our management's best estimates of net realisable value of such inventories.

Property, Plant and Equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises the purchase price and any attributable costs of bringing the asset to its working condition for its intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to us. All other repair and maintenance costs are recognised in the Restated Consolidated Statement of Profit and Loss as incurred.

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the straight line method. The following useful life of assets has been taken by us:

Asset class	Useful lives
Buildings	30 years
Plant and equipment	15 years
Furniture and fittings	10 years
Vehicles	8 to 10 years
Office equipment	5 years
Computers	3/6 years
Research and development laboratory equipment	10 years
Electrical installation	10 years

Leasehold improvements are amortised over the period of the lease or the useful life of the asset, whichever is lower. The residual values, useful lives and method of depreciation are reviewed at each reporting period end and adjusted prospectively, if appropriate. Where, during any period/ year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'capital work-in-progress'.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Restated Consolidated Statement of Profit and Loss when the asset is derecognised.

Intangible Assets

Recognition and initial measurement

Intangible assets (including brands/ trademarks) that are acquired are recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to us and the cost of assets can be measured reliably. The intangible assets are recorded at cost of acquisition including incidental costs related to acquisition and installation, and are carried at cost less accumulated amortisation and impairment losses, if any.

Subsequent measurement (amortisation)

All intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The cost thereof is amortised over a period of 4-5 years. The amortisation period and the amortisation method for intangible assets are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

De-recognition

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Restated Consolidated Statement of Profit and Loss when the asset is derecognised.

Borrowing Costs

Borrowing costs include interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised, if any. All other borrowing costs are expensed to the Restated Consolidated Statement of Profit and Loss in the period/year in which they occur.

Employee Benefits

We provide post-employment benefits through various defined contribution and defined benefit plans:

Defined contribution plans

Our contribution to provident fund and employee state insurance fund is considered as defined contribution plan and is charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees. We have no legal or constructive obligation to pay contribution in addition to our fixed contribution.

Defined benefit plans – unfunded

We operate a gratuity plan wherein every employee is entitled to the benefit. Gratuity is payable to all eligible employees (who have completed five years or more of service) at our Company, on retirement, separation, death or permanent disablement, in terms of the provisions of the Payments of Gratuity Act, 1972.

Gratuity is post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in the Restated Consolidated Financial Information in respect of gratuity is the present value of the defined benefit obligation at the reporting date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated at or near the reporting date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the Restated Consolidated Statement of Profit and Loss under other comprehensive income in the year in which such gains or losses are determined.

Other long-term employee benefits – compensated absences

Liability in respect of compensated absences becoming due or expected to be availed more than one year after the reporting date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the Restated Consolidated Statement of Profit and Loss in the period/year in which such gains or losses are determined.

Current employee benefits

All employee benefits payable wholly within twelve months of rendering services (such as, salaries, wages, short-term compensated absences, performance incentives, expected cost of bonus, ex-gratia, etc.) are classified as current employee benefits. Expense in respect of current employee benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

Equity Settled Share based Payments

Our employees receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and our best estimate of the number of equity instruments that will ultimately vest.

When the terms of an equity-settled award are modified, the minimum expense recognised is such that would arise had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Restated Consolidated Statement of Profit and Loss. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Foreign Currency Transactions and Translations

The Restated Consolidated Financial Information are presented in ₹, which is also the our Company's functional currency. Transactions in foreign currencies are initially recorded by our entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

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

Exchange differences arising on the settlement of monetary items or on restatement of our monetary items at rates different from those at which they were initially recorded during the period/year, or reported in previous periods/years, are recognised as income or as expenses in the period/year in which they arise.

Government Grants

Grants from the Government are recognised when there is reasonable assurance that all underlying conditions will be complied with and that the grant will be received.

When loans or similar assistance are provided by the Government or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant and is recognised under 'other operating revenue'.

Grants related to depreciable assets are treated as deferred income which is recognised in the Restated Consolidated Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset. Such allocation to income is usually made over the periods and in the proportions in which depreciation on related assets is charged.

Grants related to income are recognised as income on a systematic basis in the Restated Consolidated Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate and are presented as 'other income'.

Taxes

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current and deferred tax.

Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 and respective local jurisdictions where we operate.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where we operate and generate taxable income. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Our management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, we recognise a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

Our ability to recover the deferred tax assets is assessed by our management at the close of each reporting period which depends upon the forecasts of the future results and taxable profits that we expect to earn within the period by which such brought forward losses may be adjusted against the taxable profits as governed by the Income Tax Act, 1961. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable or no longer probable, respectively, that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which we expect, at the reporting date, to recover or settle the carrying amount of our assets and liabilities.

Minimum alternate tax credit is recognised as an asset only when and to the extent there is convincing evidence that we will pay normal income tax during the specified period. Such asset is reviewed at the close of each reporting period end and the adjusted based on circumstances then prevailing.

Deferred tax assets are recognised on the unrealised profit for all the inter-company sale/ purchase eliminations of property, plant and equipment and inventories.

Deferred tax on business combination when a liability assumed is recognised at the acquisition date but the related costs are not deducted in determining taxable profits until a later period, a deductible temporary difference arises which results in a deferred tax asset. a deferred tax asset also arises when the fair value of an identifiable asset acquired is less than its tax base. In both cases, the resulting deferred tax asset affects goodwill.

We offset deferred tax assets and deferred tax liabilities if and only if we have a legally enforceable right to set off current tax assets and current tax liabilities, and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. We operate in various segments and relevant disclosure requirements as per Ind AS 108 "Operating Segments" have been disclosed us under Note 50 of the Restated Consolidated Financial Information. Our Board of Directors has been identified as being the chief operating decision maker by our management.

Financial Instruments

Financial instruments are recognised when we become a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

If we determine that the fair value at initial recognition differs from the transaction price, we account for that instrument at that date as follows:

- at the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets. We recognise the difference between the fair value at initial recognition and the transaction price as a gain or loss.

- in all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, we recognise that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent measurement of financial assets and financial liabilities is described below.

Non-derivative financial assets

Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- Financial assets at amortised cost – a financial instrument is measured at amortised cost if both the following conditions are met:

    - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

    - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

    After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

- Financial assets at fair value

    Investments in equity instruments – All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at fair value through profit and loss ("**FVTPL**"). For all other equity instruments, we decide to classify the same either as at fair value through other comprehensive income ("**FVOCI**") or FVTPL. We make such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

    If we decide to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income ("**OCI**"). There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, we may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

    Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognised from the Restated Consolidated Statement of Assets and Liabilities when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. We also derecognise the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

Non-derivative financial liabilities

Initial recognition

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the Restated Consolidated Statement of Profit and Loss.

Subsequent measurement

After initial recognition, the financial liabilities are subsequently measured at amortised cost using the EIR method.

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

De-recognition of financial liabilities

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

Offsetting of financial instruments

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

Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Restated Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of our cash management.

Impairment of Financial Assets

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

In accordance with Ind-AS 109, we apply expected credit loss ("**ECL**") model for measurement and recognition of impairment loss for financial assets carried at amortised cost.

ECL is the weighted average of difference between all contractual cash flows that are due to us in accordance with the contract and all the cash flows that we expect to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, we are required to consider:

- all contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

We assess impairment based on the ECL model for measurement and recognition of impairment loss, the calculation of which is based on historical data, on the financial assets that are trade receivables or contract revenue receivables and all lease receivables. We write off trade receivables after it is established beyond doubt that the account is uncollectible. Financial assets that are written-off are still subject to enforcement activity by our Company.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, we determine whether there has been a significant increase in the credit risk since initial recognition. If the credit risk has not increased significantly since initial recognition, we measure the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, we use the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, we compare the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. We assume that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Impairment of Non-Financial Assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within our Company at which our management monitors goodwill. Cash-generating units to which goodwill and intangible asset that has an indefinite useful life or is not yet available for use has been allocated (determined by our management as equivalent to operating segments) are tested for impairment at least annually.

At each reporting date, we assess whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, we estimate the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the Restated Consolidated Statement of Profit and Loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed which is the higher of fair value less costs of disposal and value-in-use and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. Impairment losses previously recognised are accordingly reversed in the Restated Consolidated Statement of Profit and Loss.

To determine value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to our latest approved budget, adjusted as necessary to exclude the effects of future re-organisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessment of the time value of money and asset-specific risk factors.

Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when there is a present obligation, as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When provisions are discounted, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed for:

- possible obligations which will be confirmed only by future events not wholly within our control; or
- present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

Earnings per Share

Basic earnings/ (loss) 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 period/year. The weighted average number of equity shares outstanding during the period/year is adjusted for events, other than conversion of potential equity shares, that have changed the number of equity shares outstanding without a corresponding change in resources.

For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Restated Consolidated Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of our Company are segregated. Cash and cash equivalents for the purposes of Restated Consolidated Statement ff Cash Flows comprise cash at bank and on hand, and bank deposit with banks where original maturity is three months or less.

Leases

Our Company as a lessee

Our lease asset classes primarily consist of leases for land and buildings. We assess whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, we assess whether: (i) the contract involves the use of an identified asset (ii) we have substantially all of the economic benefits from use of the asset through the period of the lease and (iii) we have the right to direct the use of the asset.

At the date of commencement of the lease, we recognise a right-of-use asset ("**ROU**") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, we recognise the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated amortisation and impairment losses.

ROU are amortised from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if our Company changes its assessment as to whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Restated Consolidated Statement of Assets and Liabilities and lease payments have been classified as financing cash flows.

Material Accounting Judgments, Estimates and Assumptions

The preparation of Restated Consolidated Financial Information requires our management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Estimates and assumptions are continuously evaluated and are based on our management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected.

In particular, we have identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the Restated Consolidated Financial Information. Changes in estimates are accounted for prospectively.

- *Judgements*

In the process of applying our accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the Restated Consolidated Financial Information:

- Contingencies

  Contingent liabilities may arise from the ordinary course of business in relation to claims against our Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

- Recognition of deferred tax assets

  The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

• *Estimates and assumptions*

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period/year, are described below. We base our assumptions and estimates on parameters available when the Restated Consolidated Financial Information was prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond our control. Such changes are reflected in the assumptions when they occur.

- Useful lives of property, plant and equipment/ intangible assets

  We review our estimate of the useful lives of tangible/intangible assets at each reporting date, based on the expected utility of the assets.

- Employee benefits

  The cost of the employee benefit and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. an actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. In view of the complexities involved in the valuation and its long-term nature, employee benefit is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

- Inventories

  We estimate the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

- Business combinations

  We use valuation techniques when determining the fair values of certain assets and liabilities acquired in a business combination.

- Fair value measurement of financial instruments

  When the fair values of financial assets and financial liabilities recorded in the statement of assets and liabilities cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported assumptions about these factors which could affect the reported fair value of financial instruments.

- Impairment of goodwill

  The assessment of goodwill value for impairment purposes in based on estimated of future cashflows.

Operating Expenses

Operating expenses are recognised in the Restated Consolidated Statement of Profit and Loss upon utilisation of the service or as incurred.

Share Issue Expenses

Share issue expenses are adjusted against the securities premium account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the securities premium account. Share issue expenses in excess of the balance in the securities premium account is expensed in the Restated Consolidated Statement of Profit and Loss.

Assets held for Sale

We classify assets as held for sale if their carrying amount will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale, if our management expects to complete the sale within one year from the date of classification. Assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell.

Principal Components of Profit and Loss Statement

Total Income

Our total income comprises revenue from operations and other income.

Revenue from operations. Revenue from operations comprises revenue from sale of products and other operating revenue. Sale of products comprises income from sale of manufactured and traded formulation and API products. Other operating revenue comprises job work income, testing and other charges, and scrap sales.

Other income. Other income primarily comprises interest income on items at amortised cost, gain on foreign currency transactions and translations, and miscellaneous income.

Expenses

Expenses primarily consist of cost of materials consumed, employee benefits expense and other expenses.

Cost of materials consumed. Cost of materials consumed comprises consumption of raw materials and packing materials, used in the manufacturing of formulations and APIs.

Purchases of stock-in-trade. Purchases of stock-in-trade comprises the purchase cost of traded goods.

Changes in inventories of finished goods, work-in-progress and stock-in-trade. Changes in inventories of finished goods, work-in-progress and stock-in-trade comprises net increase or decrease in inventories of finished goods, work-in-progress and stock-in-trade of formulations and APIs.

Employee benefits expense. Employee benefits expense comprise salaries, wages and bonus, contribution to provident and other funds and staff welfare expenses.

Finance costs. Finance costs comprises interest expense on our borrowings, security deposits from customers and suppliers, lease liabilities, and other borrowing costs.

Depreciation and amortization expense. Depreciation and amortization expense comprises depreciation on property, plant and equipment, right of use assets and amortization of intangible assets.

Fair value changes to financial instruments. Fair value changes to financial instruments comprise the changes in the value of the financial instruments at the end of each financial period.

Other expenses. Other expenses primarily comprise expenses pertaining to power and fuel, business promotion, travelling and conveyance, and legal and professional expenses.

Our Results of Operations

The following tables set out select financial data derived from our Restated Consolidated Statement of Profit and Loss for the six months ended September 30, 2023 and September 30, 2022, and the Financial Years 2023, 2022 and 2021, the components of which are also expressed as a percentage of total income for such periods:

Particulars	Six months ended September 30,			
	2023		2022	
	(in ₹ millions)	(% of Total Income)	(in ₹ millions)	(% of Total Income)
Revenue from operations	21,511.38	99.31%	18,213.63	98.34%
Other income	148.68	0.69%	307.73	1.66%
Total income	**21,660.06**	**100.00%**	**18,521.36**	**100.00%**
Expenses:				
Cost of materials consumed	11,830.93	54.62%	10,968.77	59.22%
Purchase of stock-in-trade	1,009.37	4.66%	1,545.86	8.35%
Change in inventories of finished goods, stock-in-trade and work-in-progress	111.95	0.52%	(779.08)	(4.21)%
Employee benefits expense	3,204.26	14.79%	2,947.18	15.91%
Finance costs	258.00	1.19%	179.20	0.97%
Depreciation and amortisation expense	601.38	2.78%	525.23	2.84%
Fair value changes to financial instruments	2,536.46	11.71%	(263.27)	(1.42)%
Other expenses	2,552.78	11.79%	2,561.16	13.83%
Total expenses	**22,105.13**	**102.05%**	**17,685.05**	**95.48%**
Profit/ (loss) before share of (loss)/ profit of an associate, exceptional items and tax	**(445.07)**	**(2.05)%**	**836.31**	**4.52%**
Share of (loss)/ profit of an associate	–	–	(1.70)	(0.01)%
Profit/ (loss) before exceptional items and tax	**(445.07)**	**(2.05)%**	**834.61**	**4.51%**
Exceptional items	271.66	1.25%	–	–
Profit/ (loss) before tax	**(716.73)**	**(3.31)%**	**834.61**	**4.51%**
Tax Expense:				
Current tax	598.64	2.76%	204.97	1.11%
Tax for earlier periods	15.53	0.07%	18.69	0.10%
Deferred tax charge/ (reversal)	216.49	1.00%	(79.90)	(0.43)%
Total tax expense	830.66	3.83%	143.76	0.78%
Profit for the period	**(1,547.39)**	**(7.14)%**	**690.85**	**3.73%**

Particulars	Financial Year					
	2023		2022		2021	
	(in ₹ millions)	(% of Total Income)	(in ₹ millions)	(% of Total Income)	(in ₹ millions)	(% of Total Income)
Revenue from operations	36,548.20	98.75%	36,718.93	99.39%	27,226.29	99.23%
Other income	461.05	1.25%	226.30	0.61%	211.56	0.77%
Total income	**37,009.25**	**100.00%**	**36,945.23**	**100.00%**	**27,437.85**	**100.00%**
Expenses:						
Cost of materials consumed	20,280.85	54.80%	20,385.94	55.18%	12,837.93	46.79%
Purchase of stock-in-trade	2,217.88	5.99%	3,942.07	10.67%	4,545.81	16.57%
Change in inventories of finished goods, stock-in-trade and work-in-progress	240.35	0.65%	(877.42)	(2.37)%	(474.63)	(1.73)%
Employee benefits expense	5,901.33	15.95%	5,077.58	13.74%	4,245.50	15.47%
Finance costs	462.46	1.25%	166.55	0.45%	67.44	0.25%
Depreciation and amortisation expense	1,128.09	3.05%	946.79	2.56%	698.41	2.55%
Fair value changes to financial instruments	(439.69)	(1.19)%	4,941.74	13.38%	538.23	1.96%
Other expenses	4,967.98	13.42%	4,166.21	11.28%	3,160.02	11.52%
Total expenses	**34,759.25**	**93.92%**	**38,749.46**	**104.88%**	**25,618.71**	**93.37%**
Profit/ (loss) before share of (loss)/ profit of an associate, exceptional items and tax	**2,250.00**	**6.08%**	**(1,804.23)**	**(4.88)%**	**1,819.14**	**6.63%**
Share of (loss)/ profit of an associate	(2.03)	(0.01)%	2.03	0.01%	3.47	0.01%

Particulars	Financial Year					
	2023		2022		2021	
	(in ₹ millions)	(% of Total Income)	(in ₹ millions)	(% of Total Income)	(in ₹ millions)	(% of Total Income)
Profit/ (loss) before exceptional items and tax	**2,247.97**	**6.07%**	**(1,802.20)**	**(4.88)%**	**1,822.61**	**6.64%**
Exceptional items	745.00	2.01%	129.77	0.35%	100.00	0.36%
Profit/ (loss) before tax	**1,502.97**	**4.06%**	**(1,931.97)**	**(5.23)%**	**1,722.61**	**6.28%**
Tax Expense:						
Current tax	781.30	2.11%	690.45	1.87%	552.99	2.02%
Tax for earlier years	16.09	0.04%	(53.26)	(0.14)%	–	–
Deferred tax charge/ (reversal)	(272.59)	(0.74)%	(60.42)	(0.16)%	(64.73)	(0.24)%
Total tax expense	**524.80**	**1.42%**	**576.77**	**1.56%**	**488.26**	**1.78%**
Profit for the year	**978.17**	**2.64%**	**(2,508.74)**	**(6.79)%**	**1,234.35**	**4.50%**

Six months ended September 30, 2023 as compared to the six months ended September 30, 2022

Total Income

Our total income increased by 16.95% to ₹21,660.06 million for the six months ended September 30, 2023 from ₹18,521.36 million for the six months ended September 30, 2022, primarily due to an increase in our revenue from operations, marginally offset by a decrease in our other income.

Revenue from operations: Revenue from operations increased by 18.11% to ₹21,511.38 million for the six months ended September 30, 2023 from ₹18,213.63 million for the six months ended September 30, 2022, primarily due to increases in (i) sale of products to ₹20,303.77 million for the six months ended September 30, 2023 from ₹17,791.89 million for the six months ended September 30, 2022 on account of increases in sales of products – manufactured goods to ₹18,612.30 million for the six months ended September 30, 2023 from ₹15,743.09 million for the six months ended September 30, 2022, and (ii) testing and other charges to ₹896.72 million for the six months ended September 30, 2023 from ₹83.39 million for the six months ended September 30, 2022. This was on account of (i) an increase in the revenue generated from our CDMO business to ₹16,805.98 million for the six months ended September 30, 2023 from ₹13,206.58 million for the six months ended September 30, 2022, due to increases in the volume of sales of oral solids, oral liquids and topicals during the six months ended September 30, 2023, and (ii) an increase in the revenue generated from our API business to ₹933.42 million for the six months ended September 30, 2023 from ₹914.72 million for the six months ended September 30, 2022, due to an increase in the manufacturing and sales of APIs during the six months ended September 30, 2023. This was partially offset by a decrease in the revenue generated from our branded and generic formulations business to ₹3,771.98 million for the six months ended September 30, 2023 from ₹4,092.33 million for the six months ended September 30, 2022, primarily due to lower sales of formulations on account of the reduced impact of the COVID-19 pandemic as a result of a lower number of active COVID-19 cases.

Other income: Other income decreased by 51.68% to ₹148.68 million for the six months ended September 30, 2023 from ₹307.73 million for the six months ended September 30, 2022, primarily due to a decrease in liabilities no longer required, written back to ₹13.32 million for the six months ended September 30, 2023 from ₹177.94 million for the six months ended September 30, 2022. This was on account of income accounted due to the reversal of provision made for central sales tax following the setting aside of demand orders by the High Court of Uttarakhand at Nainital during the six months ended September 30, 2022. This was partially offset by increases in (i) interest income on items at amortised cost – term deposits to ₹49.66 million for the six months ended September 30, 2023 from ₹18.41 million for the six months ended September 30, 2022 on account of an increase in the term deposits to ₹1,288.14 million as of September 30, 2023 from ₹619.03 million as of September 30, 2022; and (ii) profit on foreign currency transactions and translations to ₹41.17 million for the six months ended September 30, 2023 from ₹20.73 million for the six months ended September 30, 2022 on account of favourable foreign currency exchange rate trends.

Expenses

Our total expenses increased by 24.99% to ₹22,105.13 million for the six months ended September 30, 2023 from ₹17,685.05 million for the six months ended September 30, 2022, due to increases in our cost of materials consumed, change in inventories of finished goods, stock-in-trade and work-in-progress, employee benefits expense, finance costs, depreciation and amortisation expense and fair value changes to financial instruments. This was partially offset by decreases in purchase of stock-in-trade and other expenses.

Cost of materials consumed: Cost of materials consumed increased by 7.86% to ₹11,830.93 million for the six months ended September 30, 2023 from ₹10,968.77 million for the six months ended September 30, 2022, primarily due to increases in (i) the manufacturing and sales of oral solids, oral liquids and topicals, and (ii) the manufacturing and sales of APIs.

Purchase of stock-in-trade: Purchase of stock-in-trade decreased by 34.70% to ₹1,009.37 million for the six months ended September 30, 2023 from ₹1,545.86 million for the six months ended September 30, 2022, primarily due to utilisation of existing stock during the period.

Change in inventories of finished goods, stock-in-trade and work-in-progress: Changes in inventories of finished goods, stock-in-trade and work-in progress increased to ₹111.95 million for the six months ended September 30, 2023 as compared to a credit of ₹779.08 million for the six months ended September 30, 2022. During the six months ended September 30, 2023, our opening stock aggregated to ₹2,443.95 million as compared to ₹2,685.93 million during the six months ended September 30, 2022. Similarly, during the six months ended September 30, 2023, our closing stock aggregated to ₹2,264.10 million as compared to ₹3,459.53 million during the six months ended September 30, 2022. This was primarily due to an increase in the volume of sales and the sale of opening stock during the period.

Employee benefits expenses: Employee benefits expenses increased by 8.72% to ₹3,204.26 million for the six months ended September 30, 2023 from ₹2,947.18 million for the six months ended September 30, 2022, primarily due to increases in (i) salaries, wages and bonus to ₹2,931.36 million for the six months ended September 30, 2023 from ₹2,703.04 million for the six months ended September 30, 2022, (ii) contributions to provident and other funds to ₹104.95 million for the six months ended September 30, 2023 from ₹100.10 million for the six months ended September 30, 2022, and (iii) staff welfare expenses to ₹167.95 million for the six months ended September 30, 2023 from ₹144.04 million for the six months ended September 30, 2022. This was on account of an increase in the number of our employees to 16,463 as of September 30, 2023, and annual increments in salaries.

Finance costs: Finance costs increased by 43.97% to ₹258.00 million for the six months ended September 30, 2023 from ₹179.20 million for the six months ended September 30, 2022, primarily due to an increase in interest on borrowings to ₹218.01 million for the six months ended September 30, 2023 from ₹160.23 million for the six months ended September 30, 2022. This was on account of an increase in the rate of interest payable on our borrowings and an increase in the working capital availed by us for our CDMO and API businesses.

Depreciation and amortization expense: Depreciation and amortization expense increased by 14.50% to ₹601.38 million for the six months ended September 30, 2023 from ₹525.23 million for the six months ended September 30, 2022, primarily due to increases in (i) depreciation of property, plant and equipment to ₹539.66 million for the six months ended September 30, 2023 from ₹470.94 million for the six months ended September 30, 2022, on account of an increase in the capital expenditure undertaken by us towards the acquisition of a manufacturing unit in Baddi, and on other property, plant and equipment during the six months ended September 30, 2023, (ii) amortisation on right-of-use assets to ₹50.12 million for the six months ended September 30, 2023 from ₹44.40 for the six months ended September 30, 2022, on account of creation of right-of-use on the additional lease facility taken by our Company, and (iii) amortisation of intangible assets to ₹11.60 million for the six months ended September 30, 2023 from ₹9.89 million for the six months ended September 30, 2022, on account of an increase in our intangible assets such as installation of operational management software at our warehouse in Haridwar, Uttarakhand.

Fair value changes to financial instruments: Fair value changes to financial instruments increased significantly to ₹2,536.46 million for the six months ended September 30, 2023 from a credit of ₹263.27 million for the six months ended September 30, 2022, primarily due to an increase in the valuation of our Company to ₹83,595.14 million in the six months ended September 30, 2023 from ₹67,952.89 million for the six months ended September 30, 2022, This was on account of computation of the fair value of the put option liability as on the reporting date as per Ind AS – 109, resulting in an increase in the put option liability to ₹12,612.50 million in the six months ended September 30, 2023 from ₹10,252.46 million for the six months ended September 30, 2022.

Other expenses: Other expenses decreased by 0.33% to ₹2,552.78 million for the six months ended September 30, 2023 from ₹2,561.16 million for the six months ended September 30, 2022, primarily due to decreases in (i) loss on foreign currency transactions and translations to nil for the six months ended September 30, 2023 from ₹53.04 million for the six months ended September 30, 2022 on account of favourable foreign currency exchange rate trends during the six months ended September 30, 2023, (ii) repairs and maintenance – others to ₹162.52 million for the six months ended September 30, 2023 from ₹193.87 million for the six months ended September 30, 2022, and (iii) repairs and maintenance – plants and equipment to ₹125.62 million for the six months ended September 30, 2023 from ₹136.52 million for the six months ended September 30, 2022 on account of refurbishment and maintenance expenses undertaken by us on our manufacturing units. This was partially offset by increases in (i) power and fuel expense to ₹850.00 million for the six months ended September 30, 2023 from ₹792.20 million for the six months ended September 30, 2022 on account of increase in production in our manufacturing units during the six months ended September 30, 2023, (ii) provision for allowances for expected credit losses to ₹56.09 million for the six months ended September 30, 2023 from ₹12.89 million for the six months ended September 30, 2022 on account of increase in expected losses on trade receivables, and (iii) miscellaneous expense to ₹290.93 million for the six months ended September 30, 2023 from ₹280.39 million for the six months ended September 30, 2022 on account of an increase in expenses undertaken by us in relation to applications for registrations taken for our export business, commensurate with an increase in our sales and operations.

Tax expense: Tax expense increased significantly to ₹830.66 million for the six months ended September 30, 2023 from ₹143.76 million for the six months ended September 30, 2022. For the six months ended September 30, 2023, we incurred current tax of ₹598.64 million, tax for earlier periods of ₹15.53 million and a deferred tax charge of ₹216.49 million. For six months ended

September 30, 2022, we incurred current tax of ₹204.97 million, tax for earlier periods of ₹18.69 million and a deferred tax reversal of ₹79.90 million. The increase in our tax expense was primarily due to the increase in our other operating income for the six months ended September 30, 2023 as compared to the six months ended September 30, 2022.

Profit/loss for the period: While we had an increase in revenue from operations for the six months ended September 30, 2023 as compared to six months ended September 30, 2022, the effect of the increase in valuation of our Company resulting in the put option liability of ₹2,536.46 million for the six months ended September 30, 2023, resulted in our incurring a loss of ₹1,547.39 million during the six months ended September 30, 2023, as compared to a profit of ₹690.85 million during the six months ended September 30, 2022. Not taking into account the increase in put option liability, our loss for the six months ended September 30, 2023 would have resulted in a profit for the six months ended September 30, 2023.

Financial Year 2023 as compared to Financial Year 2022

Total Income

Our total income increased by 0.17% to ₹37,009.25 million for the Financial Year 2023 from ₹36,945.23 million for the Financial Year 2022, primarily due to an increase in other income, and partially offset by a marginal decrease in our revenue from operations.

Revenue from operations: Revenue from operations decreased by 0.46% to ₹36,548.20 million for the Financial Year 2023 from ₹36,718.93 million for the Financial Year 2022, primarily due to decreases in (i) sale of products to ₹34,422.13 million for the Financial Year 2023 from ₹35,815.96 million for the Financial Year 2022, and (ii) job work income to ₹325.51 million for the Financial Year 2023 from ₹652.38 million for the Financial Year 2022. This was on account of a decrease in the revenue generated from our branded and generic formulations business to ₹7,545.63 million for the Financial Year 2023 from ₹9,014.76 million for the Financial Year 2022, primarily due to lower sales of formulations on account of the reduced impact of the COVID-19 pandemic as a result of a lower number of active COVID-19 cases during the Financial Year 2023 as compared to Financial Year 2022. This was partially offset by an increase in revenues generated from our API business to ₹1,772.49 million for the Financial Year 2023 from ₹1,093.21 million for the Financial Year 2022, on account of an increase in the manufacturing and sales of APIs .

Other income: Other income increased significantly to ₹461.05 million for the Financial Year 2023 from ₹226.30 million for the Financial Year 2022, primarily due to increases in (i) liabilities no longer required, written back to ₹216.81 million for the Financial Year 2023 from ₹21.00 million for the Financial Year 2022 on account of income accounted due to reversal of central sales tax provisions made following the setting aside of demand orders by the High Court of Uttarakhand at Nainital, (ii) profit on disposal of property, plant and equipment (net) to ₹47.30 million for the Financial Year 2023 from ₹10.22 million for the Financial Year 2022 on account of the sale of a manufacturing unit in Haridwar for a consideration of ₹101.50 million by our Company, and (iii) interest income on items at amortised cost – others to ₹25.50 million for the Financial Year 2023 from ₹2.35 million for the Financial Year 2022 on account of an increase in the term deposits to ₹983.81 million during the Financial Year 2023 from ₹477.08 million during the Financial Year 2022. This was partially offset by decreases in (i) profit on foreign currency transactions and translations to ₹18.79 million for the Financial Year 2023 from ₹31.20 million for the Financial Year 2022 on account of unfavourable foreign currency exchange rate trends during the Financial Year 2023, and (ii) subsidy income to ₹17.48 million for the Financial Year 2023 from ₹29.58 million for the Financial Year 2022 on account of a lower amount of subsidy availed under the Merchandise Export from India Scheme.

Expenses

Our total expenses decreased by 10.30% to ₹34,759.25 million for the Financial Year 2023 from ₹38,749.46 million for the Financial Year 2022, primarily due to decreases in our cost of materials consumed, purchase of stock-in-trade, and fair value changes to financial instruments. This was partially offset by increases in change in inventories of finished goods, stock-in-trade and work-in-progress, employee benefits expense, finance costs, depreciation and amortisation expense and other expenses.

Cost of materials consumed: Cost of materials consumed decreased by 0.52% to ₹20,280.85 million for the Financial Year 2023 from ₹20,385.94 million for the Financial Year 2022, primarily on account of purchases of raw materials required to manufacture formulations to address the impact of the COVID-19 pandemic.

Purchase of stock-in-trade: Purchase of stock-in-trade decreased by 43.74% to ₹2,217.88 million for the Financial Year 2023 from ₹3,942.07 million for the Financial Year 2022, primarily due to higher inventory levels on April 1, 2022.

Change in inventories of finished goods, stock-in-trade and work-in-progress: Changes in inventories of finished goods, stock-in-trade and work-in progress aggregated to ₹240.35 million for the Financial Year 2023 as compared to a credit of ₹877.42 million for the Financial Year 2022. During the Financial Year 2023, our opening stock aggregated to ₹2,685.93 million as compared to ₹1,810.83 million during the Financial Year 2022. Similarly, during the Financial Year 2023, our closing stock aggregated to ₹2,443.95 million as compared to ₹2,685.93 million during the Financial Year 2022. This was primarily on account of sale of opening stock during the Financial Year 2023.

Employee benefits expenses: Employee benefits expenses increased by 16.22% to ₹5,901.33 million for the Financial Year 2023 from ₹5,077.58 million for the Financial Year 2022, primarily due to increases in (i) salaries, wages and bonus to ₹5,407.59 million for the Financial Year 2023 from ₹4,676.02 million for the Financial Year 2022, (ii) contributions to provident and other funds to ₹202.87 million for the Financial Year 2023 from ₹168.55 million for the Financial Year 2022, and (iii) staff welfare expenses to ₹290.87 million for the Financial Year 2023 from ₹233.01 million for the Financial Year 2022. This was on account of (i) an increase in the number of our employees to 14,531 as of March 31, 2023 from 14,417 as of March 31, 2022, and (ii) annual increments in salaries, and (iii) an increase in minimum wages payable to certain employees pursuant to regulatory amendments in the Minimum Wages Act, 1948.

Finance costs: Finance costs increased significantly to ₹462.46 million for the Financial Year 2023 from ₹166.55 million for the Financial Year 2022, primarily due to increases in (i) interest on borrowings to ₹400.70 million for the Financial Year 2023 from ₹84.46 million for the Financial Year 2022, and (ii) interest on lease liability to ₹51.23 million for the Financial Year 2023 from ₹29.68 million for the Financial Year 2022. This was on account of additional borrowings undertaken by us for the expansion of our API business, the acquisition of a formulations manufacturing unit in Baddi, Himachal Pradesh and to address increased working capital requirements. This was partially offset by a decrease in interest on income tax to ₹6.80 million for the Financial Year 2023 from ₹47.77 million for the Financial Year 2022, primarily due to a delay in the merger of PCHL and ALL, which led to delayed payment of income tax of ₹469.43 million during the Financial Year 2022.

Depreciation and amortization expense: Depreciation and amortization expense increased by 19.15% to ₹1,128.09 million for the Financial Year 2023 from ₹946.79 million for the Financial Year 2022, primarily due to increases in (i) depreciation of property, plant and equipment to ₹1,010.55 million for the Financial Year 2023 from ₹839.78 million for the Financial Year 2022, on account of an increase in the capital expenditure undertaken by us towards our API business and on property, plant and equipment during the Financial Year 2022, leading to an increase in the depreciation of fixed assets, and (ii) amortisation on right-of-use assets to ₹99.02 million for the Financial Year 2023 from ₹77.15 million for the Financial Year 2022, on account of creation of right-of-use on the lease facility availed by our Company.

Fair value changes to financial instruments: Fair value changes to financial instruments decreased significantly to a credit of ₹439.69 million for the Financial Year 2023 from ₹4,941.74 million for the Financial Year 2022, primarily due to a decrease in the valuation of our Company to ₹66,783.58 million in the Financial Year 2023 from ₹69,697.90 million for the Financial Year 2022, on account of computation of the put option liability as on the reporting date as per Ind-AS 109, resulting in a decrease in the put option liability to ₹10,076.04 million in the Financial Year 2023 from ₹10,515.74 million for the Financial Year 2022.

Other expenses: Other expenses increased by 19.24% to ₹4,967.98 million for the Financial Year 2023 from ₹4,166.21 million for the Financial Year 2022, primarily due to increases in (i) power and fuel expense to ₹1,474.08 million for the Financial Year 2023 from ₹1,102.17 million for the Financial Year 2022 on account of increased production at our manufacturing units during the Financial Year 2023, (ii) travelling and conveyance expenses to ₹503.50 million for the Financial Year 2023 from ₹365.06 million for the Financial Year 2022 on account of reopening of our manufacturing units in Financial Year 2023 pursuant to lifting of restrictions imposed by the Government of India in response to COVID-19, (iii) legal and professional expenses to ₹474.61 million for the Financial Year 2023 from ₹321.60 million for the Financial Year 2022 on account of engagement of a major accounting firm to conduct a debottlenecking study for us during the Financial Year 2023, (iv) business promotion expenses to ₹354.65 million for the Financial Year 2023 from ₹294.51 million for the Financial Year 2022 on account of increased commissions paid during the Financial Year 2023, commensurate with the increase in our manufacturing capabilities, (v) provision for demand raised by statutory authorities to ₹55.00 million for the Financial Year 2023 from nil for the Financial Year 2022 on account of creation of provision for demand raised by the Directorate General of Foreign Trade in relation to duty-free imports during the Financial Year 2023, and (vi) miscellaneous expense to ₹578.26 million for the Financial Year 2023 from ₹482.88 million for the Financial Year 2022 on account of expenses undertaken by our Subsidiary in relation to certain liquidated damages, festivity expenses and donations. This was partially offset by decreases in (i) provision for allowances for expected credit losses to ₹18.65 million for the Financial Year 2023 from ₹132.27 million for the Financial Year 2022 on account of decrease in provisions made for trade receivables during the Financial Year 2023, (ii) repairs and maintenance – plants and equipment to ₹282.08 million for the Financial Year 2023 from ₹302.98 million for the Financial Year 2022 on account of increased maintenance costs incurred by us during the Financial Year 2022 for the manufacturing units acquired by us during the Financial Year 2021, (iii) freight and cartage – outward to ₹94.20 million for the Financial Year 2023 from ₹142.11 million for the Financial Year 2022 on account of a decrease in the sales for our branded and generic formulations business, and (iv) loss on sale of property, plant and equipment to ₹1.55 million for the Financial Year 2023 from ₹30.88 million for the Financial Year 2022 on account of losses on sales of obsolete assets from our API manufacturing units during the Financial Year 2022.

Tax expense: Tax expense decreased by 9.01% to ₹524.80 million for the Financial Year 2023 from ₹576.77 million for the Financial Year 2022. During the Financial Year 2023, we incurred a current tax liability of ₹781.30 million, tax for earlier periods of ₹16.09 million and a deferred tax reversal of ₹272.59 million. During Financial Year 2022, we incurred a current tax liability of ₹690.45 million, tax reversal for earlier periods of ₹53.26 million and a deferred tax reversal of ₹60.42 million. The increase in our tax expense was primarily due to increases in our other operating income during the Financial Year 2023.

Profit/loss for the year: Due to the foregoing, we incurred a profit of ₹978.17 million during the Financial Year 2023, as compared to a loss of ₹2,508.74 million during the Financial Year 2022. Not taking into account the changes in put option liability, we would have had profit for the year for both Financial Years 2023 and 2022.

Financial Year 2022 as compared to Financial Year 2021

Total Income

Our total income increased by 34.65% to ₹36,945.23 million for the Financial Year 2022 from ₹27,437.85 million for the Financial Year 2021, primarily due to increases in revenue from operations and other income.

Revenue from operations: Revenue from operations increased by 34.87% to ₹36,718.93 million for the Financial Year 2022 from ₹27,226.29 million for the Financial Year 2021, primarily due to increases in (i) sale of products to ₹35,815.96 million for the Financial Year 2022 from ₹26,396.00 million for the Financial Year 2021, and (ii) other operating revenues to ₹902.97 million for the Financial Year 2022 from ₹830.29 million for the Financial Year 2021. This was on account of (i) increases in revenues generated from our CDMO and branded and generic formulations businesses due to an increase in the sales of formulations required to address COVID-19 during the Financial Year 2022, and (ii) scaling of our API manufacturing capabilities and the commencement of operations at our manufacturing unit in Dera Bassi, Punjab during the Financial Year 2022.

Other income: Other income increased by 6.97% to ₹226.30 million for the Financial Year 2022 from ₹211.56 million for the Financial Year 2021, primarily due to increases in (i) reversal of expected credit loss of trade receivables to ₹11.39 million for the Financial Year 2022 from nil for the Financial Year 2021, (ii) profit on reassessment or termination of right-of-use assets to ₹10.55 million for the Financial Year 2022 from nil for the Financial Year 2021 on account of termination of the lease agreement for our research and development centre in Mumbai, Maharashtra, (iii) profit on disposal of property, plant and equipment (net) to ₹10.22 million for the Financial Year 2022 from ₹2.83 million for the Financial Year 2021 on account of sale of certain assets of a Subsidiary, and (iv) miscellaneous income to ₹62.34 million for the Financial Year 2022 from ₹51.17 million for the Financial Year 2021 on account of increase in recoveries of unused packaging materials provided by us to our clients. This was partially offset by decreases in (i) interest income on items at amortised cost – term deposits to ₹35.11 million for the Financial Year 2022 from ₹49.67 million for the Financial Year 2021 on account of decrease in interest rates for deposits during the Financial Year 2022, and (ii) liabilities no longer required, written back to ₹21.00 million for the Financial Year 2022 from ₹32.16 million for the Financial Year 2021 on account of liabilities written back pertaining to our Subsidiaries, Ziven Lifesciences Limited and Parabolic Research Labs Limited, pursuant to their acquisition by us during the Financial Year 2021.

Expenses

Our total expenses increased by 51.26% to ₹38,749.46 million for the Financial Year 2022 from ₹25,618.71 million for the Financial Year 2021, primarily due to increases in our cost of materials consumed, employee benefits expense, finance costs, depreciation and amortisation expense, fair value changes to financial instruments and other expenses. This was partially offset by decreases in purchase of stock-in-trade and change in inventories of finished goods, stock-in-trade and work-in-progress.

Cost of materials consumed: Cost of materials consumed increased by 58.79% to ₹20,385.94 million for the Financial Year 2022 from ₹12,837.93 million for the Financial Year 2021, primarily due to an increase in the sales of formulations which resulted in an increase in cost of materials consumed.

Purchase of stock-in-trade: Purchase of stock-in-trade decreased by 13.28% to ₹3,942.07 million for the Financial Year 2022 from ₹4,545.81 million for the Financial Year 2021, primarily due to the utilization of opening stock-in-trade held by us consistent with the increase in sales of formulations.

Change in inventories of finished goods, stock-in-trade and work-in-progress: Changes in inventories of finished goods, stock-in-trade and work-in progress aggregated to a credit of ₹877.42 million for the Financial Year 2022 as compared to a credit of ₹474.63 million for the Financial Year 2021. During the Financial Year 2022, our opening stock aggregated to ₹1,810.83 million as compared to ₹1,327.31 million during the Financial Year 2021. Similarly, during the Financial Year 2022, our closing stock aggregated to ₹2,685.93 million as compared to ₹1,810.83 million during the Financial Year 2021. This was primarily on account of an increase in inventories as a result of the growth of our business and operations.

Employee benefits expenses: Employee benefits expenses increased by 19.60% to ₹5,077.58 million for the Financial Year 2022 from ₹4,245.50 million for the Financial Year 2021, primarily due to increases in (i) salaries, wages and bonus to ₹4,676.02 million for the Financial Year 2022 from ₹3,946.59 million for the Financial Year 2021, (ii) contributions to provident and other funds to ₹168.55 million for the Financial Year 2022 from ₹151.31 million for the Financial Year 2021, and (iii) staff welfare expenses to ₹233.01 million for the Financial Year 2022 from ₹147.60 million for the Financial Year 2021. This was on account of (i) an increase in the number of our employees to 14,417 as of March 31, 2022 from 11,194 as of March 31, 2021, (ii) annual increments in salaries, (iii) increase in the minimum wages payable to certain employees pursuant to regulatory amendments in the Minimum Wages Act, 1948, and (iv) establishment of new manufacturing units at Kotdwar, Uttarakhand during the Financial Year 2022 that led to an increase in our workforce.

Finance costs: Finance costs increased significantly to ₹166.55 million for the Financial Year 2022 from ₹67.44 million for the Financial Year 2021, primarily due to increases in (i) interest on borrowings to ₹84.46 million for the Financial Year 2022 from ₹36.96 million for the Financial Year 2021 on account of additional borrowings undertaken by us for the expansion of our API business, (ii) interest on income tax to ₹47.77 million for the Financial Year 2022 from ₹7.33 million for the Financial Year 2021 on account a delay in the merger of PCHL and ALL, which led to delayed payment of income tax during the Financial Year 2022, and (iii) interest on lease liability to ₹29.68 million for the Financial Year 2022 from ₹17.25 million for the Financial Year 2021 on account of lease facility taken by us for our Corporate Office at Mangolpuri, Delhi.

Depreciation and amortization expense: Depreciation and amortization expense increased by 35.56% to ₹946.79 million for the Financial Year 2022 from ₹698.41 million for the Financial Year 2021, primarily due to increases in (i) depreciation of property, plant and equipment to ₹839.78 million for the Financial Year 2022 from ₹600.08 million for the Financial Year 2021, on account of an increase in the capital expenditure undertaken by us on property, plant and equipment during the Financial Year 2022, and (ii) amortisation on right-of-use assets to ₹77.15 million for the Financial Year 2022 from ₹57.24 million for the Financial Year 2021, on account of creation of right-of-use on the lease facility undertaken by us for our Corporate Office at Mangolpuri, Delhi.

Fair value changes to financial instruments: Fair value changes to financial instruments increased significantly to ₹4,941.74 million for the Financial Year 2022 from ₹538.23 million for the Financial Year 2021, primarily due to an increase in the valuation of our Company to ₹69,697.90 million in the Financial Year 2022 from ₹36,944.25 million for the Financial Year 2021. This was on account computation of the fair value of the put option liability as on the reporting date as per Ind-AS 109, resulting in an increase in the put option liability to ₹10,515.74 million in the Financial Year 2022 from ₹5,574.00 million for the Financial Year 2021.

Other expenses: Other expenses increased by 31.84% to ₹4,166.21 million for the Financial Year 2022 from ₹3,160.02 million for the Financial Year 2021, primarily due to increases in (i) power and fuel expense to ₹1,102.17 million for the Financial Year 2022 from ₹765.45 million for the Financial Year 2021 on account of an increase in the utilization of our manufacturing units during the Financial Year 2022, (ii) repairs and maintenance – plants and equipment to ₹302.98 million for the Financial Year 2022 from ₹185.28 million, and repairs and maintenance – others to ₹320.80 million for the Financial Year 2022 from ₹213.77 million for the Financial Year 2021 for the Financial Year 2021, on account of refurbishment and repairs undertaken at the manufacturing unit at Dera Bassi, Punjab, (iii) travelling and conveyance to ₹365.06 million for the Financial Year 2022 from ₹238.36 million for the Financial Year 2021 on account of an increase in the traveling expenses during the Financial Year 2022 due to partial lifting of restrictions imposed by the Government of India in connection with decrease in number of COVID-19 cases, (iv) legal and professional expenses to ₹321.60 million for the Financial Year 2022 from ₹286.51 million for the Financial Year 2021 on account of consultancy charges paid for projects related to process efficiencies, and (v) business promotion expenses to ₹294.51 million for the Financial Year 2022 from ₹257.82 million for the Financial Year 2021 on account of increased commissions paid, commensurate with the increase in our manufacturing capabilities.

Tax expense: Tax expense increased by 18.13% to ₹576.77 million for the Financial Year 2022 from ₹488.26 million for the Financial Year 2021. During the Financial Year 2022, we incurred a current tax liability of ₹690.45 million, tax reversal for earlier periods of ₹53.26 million and a deferred tax reversal of ₹60.42 million. During the Financial Year 2021, we incurred a current tax liability of ₹552.99 million, and a deferred tax reversal of ₹64.73 million. The increase in our tax expense was primarily due to increases in our operations and profitability during the Financial Year 2022.

Profit/loss for the year: Due to the foregoing, we incurred a loss of ₹2,508.74 million during the Financial Year 2022, as compared to a profit of ₹1,234.35 million during the Financial Year 2021. Not taking into account the changes in put option liability, we would have had profit for the year for both Financial Years 2022 and 2021, with the profit for the year for the Financial Year 2022 being higher than the profit for the year for the Financial Year 2021.

Cash Flows

The following table sets forth our cash flows for the periods/years indicated:

Particulars	Six months ended September 30,		Financial Year		
	2023	2022	2023	2022	2021
	(in ₹ millions)				
Net cash generated from / (used in) operating activities	632.57	(1,348.80)	1,766.31	318.54	1,306.14
Net cash (used in) investing activities	(1,333.55)	(2,159.33)	(3,047.02)	(2,348.22)	(1,093.85)
Net cash generated from / (used in) financing activities	1,361.20	3,415.41	1,245.40	2,360.40	(914.62)
Net increase/ (decrease) in cash and cash equivalents	660.22	(92.72)	(35.31)	330.72	(702.33)

Operating Activities

Net cash generated from operating activities was ₹632.57 million for the six months ended September 30, 2023. Our net loss before tax was ₹716.73 million for the six months ended September 30, 2023. We had an operating profit before working capital changes of ₹2,944.91 million, which was primarily adjusted for fair value charges on financial instruments of ₹2,536.46 million, depreciation and amortisation of ₹601.38 million, provision for losses incurred due to floods of ₹274.14 million and finance costs of ₹258.00 million. Working capital adjustments for the six months ended September 30, 2023 primarily comprised of increase in trade receivables aggregating to ₹2,799.53 million, increase in trade payables aggregating to ₹445.44 million, decrease in inventories aggregating to ₹235.62 million and increase in other financial liabilities aggregating to ₹105.50 million. This was primarily on account of an increase in the volume of sales during this period.

Net cash used in operating activities was ₹1,348.80 million for the six months ended September 30, 2022. Our net profit before tax was ₹834.61 million for the six months ended September 30, 2022. We had an operating profit before working capital changes of ₹1,069.86 million, which was primarily adjusted for depreciation and amortisation of ₹525.23 million, fair value charges on financial instrument of ₹263.27 million, and liabilities no longer required, written back of ₹177.94 million. Working capital adjustments for the six months ended September 30, 2022 primarily comprised increases in inventories of ₹1,277.87 million, trade receivables of ₹673.72 million and other assets of ₹243.48 million, primarily on account of a built up of inventory and the expansion of our API business. This was partially offset by increases in trade payables of ₹341.93 million, provisions of ₹68.65 million, other financial liabilities of ₹58.01 million and other liabilities of ₹20.56 million.

Net cash generated from operating activities was ₹1,766.31 million for the Financial Year 2023. Our net profit before tax was ₹1,502.97 million for the Financial Year 2023. We had an operating profit before working capital changes of ₹3,080.28 million, which was primarily adjusted for depreciation and amortisation of ₹1,128.09 million, fair value charges on financial instruments of ₹439.69 million and liabilities no longer required, written back of ₹216.81 million. Working capital adjustments for the Financial Year 2023 primarily comprised decreases in other liabilities of ₹348.92 million, trade payables of ₹183.69 million, and trade receivables of ₹349.11 million, and an increase in other assets of ₹183.14 million.

Net cash generated from operating activities was ₹318.54 million for the Financial Year 2022. Our net loss before tax was ₹1,931.97 million for the Financial Year 2022. We had an operating profit before working capital changes of ₹4,382.27 million, which was primarily adjusted for fair value charges on financial instruments of ₹4,941.74 million and depreciation and amortisation of ₹946.79 million. Working capital adjustments for the Financial Year 2022 primarily included increases in trade receivables of ₹3,717.75 million, inventories of ₹2,925.89 million, and trade payables of ₹2,505.09 million, primarily on account of an increase in the operations of our Company. Other liabilities also increased by ₹1,282.09 million on account of receipts of advances from customers.

Net cash generated from operating activities was ₹1,306.14 million for the Financial Year 2021. Our net profit before tax was ₹1,722.61 million for the Financial Year 2021. We had an operating profit before working capital changes of ₹3,172.83 million, which was primarily adjusted for fair value charges on financial instruments of ₹538.23 million and depreciation and amortisation of ₹698.41 million. Working capital adjustments for the Financial Year 2021 primarily comprised decreases in trade payables of ₹819.04 million, other financial liabilities of ₹552.12 million and trade receivables of ₹361.48 million, and an increase in inventories of ₹315.41 million.

Investing Activities

Net cash used in investing activities was ₹1,333.55 million for the six months ended September 30, 2023, primarily comprising purchase of property, plant and equipment, and intangible assets (including capital work-in-progress, capital advances and payable towards property, plant and equipment) of ₹1,383.99 million and investment in deposits having original maturity of more than three months of ₹322.49 million, which was partially offset by proceeds from sale of property, plant and equipment of ₹247.65 million.

Net cash used in investing activities was ₹2,159.33 million for the six months ended September 30, 2022, primarily comprising purchase of property, plant and equipment (for our CDMO business in Baddi and expansion of our API business), and intangible assets (including capital work-in-progress, capital advances, and for acquisition of abbreviated new drug application (ANDA) licenses) of ₹2,126.19 million, investment in deposits having original maturity of more than three months of ₹82.29 million and loans given of ₹71.72 million, which was partially offset by advance received against assets held for sale of ₹58.00 million and proceeds from sale of property, plant and equipment of ₹41.71 million.

Net cash used in investing activities was ₹3,047.02 million for the Financial Year 2023, primarily comprising purchase of property, plant and equipment, and intangible assets (including capital work-in-progress, capital advances and payable towards property, plant and equipment) of ₹3,287.93 million and investment in deposits having original maturity of more than three months of ₹449.93 million, which was partially offset by proceeds from sale of property, plant and equipment of ₹421.47 million and advance received against assets held for sale of ₹225.10 million.

Net cash used in investing activities was ₹2,348.22 million for the Financial Year 2022, primarily comprising purchase of property, plant and equipment, and intangible assets (including capital work-in-progress, capital advances and payable towards property, plant and equipment) of ₹2,575.82 million and consideration paid to NCI towards further acquisition of interest in subsidiaries of ₹110.02 million, which was partially offset by proceeds from sale of current investments of ₹190.09 million.

Net cash used in investing activities was ₹1,093.85 million for the Financial Year 2021, primarily comprising purchase of property, plant and equipment, and intangible assets (including capital work-in-progress, capital advances and payable towards property, plant and equipment) of ₹828.10 million and consideration paid to NCI towards further acquisition of interest in subsidiaries of ₹605.00 million and purchase of current investments of ₹130.88 million, which was partially offset by proceeds from deposits having original maturity of more than three months of ₹380.24 million.

Financing Activities

Net cash generated from financing activities was ₹1,361.20 million for the six months ended September 30, 2023, primarily comprising proceeds from current borrowings (net) of ₹1,698.28 million and proceeds from non-current borrowings of ₹103.42 million, which was partially offset by interest paid of ₹218.86 million and repayment of non-current borrowings of ₹131.65 million.

Net cash generated from financing activities was ₹3,415.41 million for the six months ended September 30, 2022, primarily comprising proceeds from current borrowings (net) of ₹2,293.34 million and proceeds from non-current borrowings of ₹1,401.79 million towards upgradation and expansion of our API business. This was partially offset by interest paid of ₹160.96 million.

Net cash generated from financing activities was ₹1,245.40 million for the Financial Year 2023, primarily comprising proceeds from non-current borrowings of ₹1,401.60 million and proceeds from current borrowings (net) of ₹485.79 million. This was partially offset by interest paid of ₹404.43 million primarily on account of increased borrowings to finance our API business, payment of lease liabilities of ₹129.98 million and repayments of non-current borrowings of ₹107.58 million.

Net cash generated from financing activities was ₹2,360.40 million for the Financial Year 2022, primarily comprising proceeds from current borrowings (net) of ₹2,524.23 million and proceeds from non-current borrowings of ₹200.19 million, which was partially offset by payment of lease liabilities of ₹163.73 million and repayments of non-current borrowings of ₹111.19 million.

Net cash used in financing activities was ₹914.62 million for the Financial Year 2021, primarily comprising repayments of non-current borrowings of ₹350.24 million, repayment of current borrowings (net) of ₹396.55 million and payment of lease liabilities of ₹129.26 million.

Financial Indebtedness

As of September 30, 2023, we have total borrowings of ₹7,077.51 million, comprising non-current borrowings of ₹1,009.96 million and current borrowings of ₹6,067.55 million. See "*Financial Indebtedness*" beginning on page 329.

Capital and Other Commitments

As of September 30, 2023, the estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) was ₹947.27 million. These contracts related to acquisition of property, plant and equipment in Haridwar and Baddi.

The following table summarizes the maturity profile of our financial liabilities as of September 30, 2023:

Particulars	**As of September 30, 2023**			
	Payment due by period			**Total**
	Less than 1 year	**1-5 years**	**More than 5 years**	
	(in ₹ millions)			
Borrowings	6,067.55	1,009.96	–	7,077.51
Trade Payables	6,108.69	–	–	6,108.69
Lease Liabilities	56.97	149.32	558.87	765.16
Other Financial Liabilities	659.91	12,903.78	–	13,563.69
Total	**12,893.12**	**14,063.06**	**558.87**	**27,515.05**

Contingent Liabilities

As of September 30, 2023, our contingent liabilities and litigations were as follows:

Particulars	**As of September 30, 2023**
	(in ₹ millions)
Income-tax matters	768.80
Product pricing related matters	106.40
Others	3.15

Off-Balance Sheet Commitments and Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Capital Expenditure

During the six months ended September 30, 2023 and September 30, 2022, and the Financial Years 2023, 2022 and 2021, our capital expenditure incurred on purchase of property, plant and equipment and intangible assets (including capital work-in-progress, capital advances and payable towards property, plant and equipment) amounted to ₹1,383.99 million, ₹2,126.19 million, ₹3,287.93 million, ₹2,575.82 million and ₹828.10 million, respectively for capacity and capability enhancement. For the Financial Year 2024, we expect to incur ₹2,450.00 million as capital expenditure towards the growth and maintenance of existing and new manufacturing units.

Related Party Transactions

We have engaged in the past, and may engage in the future, in transactions with related parties. For details of our related party transactions, see "*Restated Consolidated Financial Information – Note 45 – Related Party Disclosures*" on page 293.

Quantitative and Qualitative Disclosures about Market Risk

In the course of our business, we are exposed to certain financial risks such as market risk, credit risk and liquidity risk.

Market Risk

Foreign currency risk

We have international transactions and are exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not our functional currency. We do not use forward contracts and swaps for managing risks associated with foreign currency or for speculative purposes.

Interest rate risk

Our policy is to minimise interest rate cash flow risk exposures on long-term financing. At the end of each Financial Year, we are exposed to changes in market interest rates through bank borrowings at variable interest rates. Our investments in fixed deposits contractually carry fixed interest rates.

Credit Risk

Credit risk is the risk that a counterparty fails to discharge its obligation to our Company. Our exposure to credit risk is influenced mainly by investments in cash and cash equivalents, trade receivables and other financial assets measured at amortised cost. We continuously monitor defaults of customers and other counterparties and incorporate this information into our credit risk controls.

Liquidity Risk

Liquidity risk is the risk that we will encounter difficulty in meeting the obligations associated with our financial liabilities that are settled by delivering cash or other financial assets. Our approach to manage liquidity is to ensure that we have sufficient liquidity to meet our liabilities when they are due. Our management monitors rolling forecasts of our liquidity position and cash and cash equivalents on the basis of expected cash flows. We take into account the liquidity of the market in which we operate.

Known Trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified in "— *Significant Factors Affecting our Results of Operations*" on page 335 and the uncertainties described in "*Risk Factors*" on page 27. To our knowledge, except as disclosed in this Draft Red Herring Prospectus, there are no known trends or uncertainties which we expect to have a material adverse effect on our income.

Future Relationship between Cost and Revenue

Other than as described elsewhere in this Draft Red Herring Prospectus, to the knowledge of our management, there are no known factors that might affect the future relationship between costs and income.

Unusual or infrequent events or transactions

Except as disclosed in this Draft Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

New Products or Business Segments

Other than as disclosed in this section and in "*Our Business*" on page 171 there are no new products or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

Seasonality of Business

Our business is not seasonal in nature.

Competitive Conditions

We operate in a competitive environment. See "*Our Business*", "*Industry Overview*" and "*Risk Factors*" on pages 171, 128 and 27, respectively for further information on our industry and competition.

Future relationship between Cost and Income

Other than as described in "*Risk Factors*", "*Our Business*" and above in " — *Significant Factors Affecting our Results of Operations*" on pages 27, 171 and 335, respectively, to our knowledge, there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

Significant developments subsequent to September 30, 2023

Except as disclosed in this Draft Red Herring Prospectus, no circumstances have arisen since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding (i) criminal proceedings; (ii) actions taken by statutory or regulatory authorities; (iii) claims related to direct and indirect taxes; (iv) other pending material litigations, in each case involving our Company, Directors, Promoters or Subsidiaries (collectively, the "**Relevant Parties**"); and (v) litigation involving our Group Company which have a material impact on our Company. Further, there are no disciplinary actions including penalties imposed by the SEBI or the Stock Exchanges against our Promoters in the last five Financial Years, including any outstanding action.*

*For the purpose of disclosure of pending material litigation in (iv) above, our Board in its meeting held on January 17, 2024, has considered and adopted a policy of materiality ("**Materiality Policy**"), for identification of material civil litigation for the Relevant Parties. In terms of the Materiality Policy, any outstanding litigation involving a claim or an amount which exceeds ₹ 9.78 million, being the amount equivalent to 1% of the Company's consolidated profit after tax for the Financial Year 2023 as per the Restated Consolidated Financial Information, i.e., ₹ 978.17 million, would be considered "material". In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable or may not meet the monetary threshold,, such litigation has been considered "material" only in the event where an adverse outcome would materially and adversely affect the business, operation, cash flows or financial position or reputation of our Company. This will also include civil litigations where the decision in one case is likely to affect the decision in similar cases even though the amount involved in an individual litigation may not exceed the amount equivalent to 1% of the restated profit after tax for the latest Financial Year as per the Restated Consolidated Financial Information.*

Further, in the event any tax matter involves an amount, exceeding the threshold disclosed above in relation to each Relevant Party, individual disclosures of such tax matters have been included in this section.

For the purposes of this section, pre-litigation notices (excluding statutory/regulatory/governmental/tax authorities or notices threatening criminal action) and matters in which summons have not been received, have not been considered material and/or have not been disclosed as pending matters until such time that our Company, Directors, Promoters or Subsidiaries, as the case may be, is impleaded as a defendant in litigation before any judicial or arbitral forum.

Except as stated in this section, there are no outstanding material dues to creditors of our Company. In terms of the Materiality Policy, outstanding dues to any creditor (on the basis of trade payables) of our Company having a monetary value which exceeds 5% of the total trade payables of our Company as of September 30, 2023 shall be considered as "material". Accordingly, as on September 30, 2023, any outstanding dues exceeding ₹ 305.43 million have been considered as material outstanding dues for the purposes of identification of material creditors and related information in this section. Further, for outstanding dues to MSMEs, the disclosure is based on information available with our Company regarding status of the creditors under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended read with the rules and notifications thereunder.

Litigation involving our Company

Litigation against our Company

Actions taken by regulatory and statutory authorities

1. Our Company received a notice dated March 18, 2019 (the "**Notice**") under section 206 of the Companies Act, 2013 (the "**Act**") from the Assistant Director and Inspector, e-Centralised Scrutiny and Prosecution Mechanism, Corporate Social Responsibility Cell, New Delhi calling for information regarding compliance with the applicable provisions relating to corporate social responsibility ("**CSR**") under the Act. Our Company replied to the Notice vide its letter dated March 30, 2019, substantiating compliance with the relevant provisions governing CSR under the Act. The matter is currently pending.

2. For the period of March 2011 to September 2015, the competent authority under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 ("**EPF Act**") initiated an enquiry under section 7A against M/s Sharp Vision Security Services ('**Contractual Establishment**') for failure to remit the statutory dues amounting to ₹1.13 million under the EPF Act. It was alleged by the competent authority that our Company deliberately helped the Contractual Establishment in evading the provident fund dues to the workers. Vide order dated July 31, 2017 passed by the Assistant Regional Provident Fund Commissioner, Dehradun Employees Provident Fund Organisation, Regional Office, Uttarakhand ("**Regional Provident Fund Commissioner**") our Company was directed to pay the pending dues within 15 days ("**Order for Payment**"). Our Company challenged the Order for Payment before the Central Government Industrial Tribunal, Lucknow ("**CGIT**"). Vide order dated August 1, 2019, the CGIT directed refund of the amount recovered from our Company ('**CGIT Order**'). The Regional Provident Fund Commissioner filed a writ

petition against our Company challenging the CGIT Order before the High Court of Uttarakhand. In the writ petition, the Regional Provident Fund Commissioner has sought relief from the High Court, including among others, issuance of directions against our Company to comply with the Order of Payment and make the payment of ₹1.13 million under section 7A of the EPF Act. The matter is currently pending.

3. Our Company received a summons dated October 19, 2023 ("**Summons**") to appear before the Assistant Regional Provident Fund Commissioner, Dehradun ("**ARPFC**") for a hearing under section 14B of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 ("**EPF Act**") from the ARPFC alleging belated remittances made between the period February 17, 2022 to September 30, 2023. The cumulative amount including damages and interest under section 7Q of the EPF Act specified in the Summons is ₹3,294. Our Company has replied to the Summons on October 30, 2023 stating that our Company has already made payment for the aforesaid period under sections 14B and 7Q of the EPF Act. The matter is currently pending.

4. A complaint dated July 20, 2015 ("**Complaint**") was filed by the Drugs Inspector, Central Drugs Standard Control Organisation, Mumbai, Maharashtra, against our Company, its erstwhile director Narendra Dev Sachdeva before the Metropolitan Magistrate, Mazgaon, Sewree, Mumbai, Maharashtra ("**Metropolitan Magistrate**") for contravening the provisions of section 18(a)(i) read with sections 16 and 34 punishable under section 27(d) of the Drugs and Cosmetics Act, 1940 in respect of manufacturing of the drug amoxycillin and potassium clavulanate oral suspension ("**Product**") by our Company, which was alleged to be of sub-standard quality. Our Company filed an application before the High Court of Bombay ("**Bombay HC**") dated January 3,2023 under section 482 of the CrPC for quashing order dated August 6, 2015 ("**Process Order**") whereby process was issued by the Metropolitan Magistrate against the accused and also stay of all proceedings before the Metropolitan Magistrate. Vide order dated October 3, 2023, the Bombay HC set aside the Process Order and remanded the case back to the Metropolitan Magistrate for fresh consideration. The matter is currently pending before the Metropolitan Magistrate.

5. A complaint dated February 11, 2021 ("**Complaint**") was filed by the Drugs Inspector, Central Drugs Standard Control Organisation, Mumbai, Maharashtra, against our Company, its erstwhile directors Narendra Dev Sachdeva and Vijaypal Singh Rawat and Director Sanjeev Jain before the Metropolitan Magistrate, Mazgaon, Sewree, Mumbai, Maharashtra ("**Metropolitan Magistrate**") for contravening the provisions of section 18(a)(i) read with sections 16 and 34 punishable under section 27(d) of the Drugs and Cosmetics Act, 1940 in respect of manufacturing of the drug Calcium with Vitamin D3 and Minerals Tablets ("**Product**") by our Company, which was alleged to be of sub-standard quality. Sanjeev Jain filed a criminal application under section 482 of the Code of Criminal Procedure, 1972 before the High Court of Bombay ("**Bombay HC**") dated February 4, 2022 for quashing order dated March 26, 2021 ("**Process Order**") whereby process was issued by the Metropolitan Magistrate against Sanjeev Jain and also stay of all proceedings before the Metropolitan Magistrate. Vide order dated November 3, 2023, the Bombay HC dismissed the application with liberty to file appropriate proceedings before the sessions court. Thereafter, Sanjeev Jain filed a criminal revision application dated November 9, 2023 before the Session Court, Greater Bombay, Maharashtra ("**Sessions Court**") for quashing the order dated March 26, 2021 ("**Process Order**") whereby process was issued by the Metropolitan Magistrate against Sanjeev Jain and granting stay against all proceedings before the Metropolitan Magistrate till the final disposal of the case. The matter is currently pending before the Sessions Court.

6. A complaint dated September 19, 2013 ("**Complaint**") was filed by the Drugs Inspector, Food and Drugs Administration, Chandrapur, Maharashtra, against our Company, its directors Sanjeev Jain, Sandeep Jain, Narendra Dev Sachdeva ("**erstwhile director**") and others before the Chief Judicial Magistrate, Chandrapur, Maharashtra ("**Chief Judicial Magistrate**") for contravening the provisions of section 18(a)(i) read with sections 16(1)(a), 23, 33M and 34 punishable under section 27(d) of the Drugs and Cosmetics Act, 1940 in respect of manufacturing of the drug amoxycillin and potassium clavulanate oral suspension ("**Product**") by our Company, which was alleged to be of sub-standard quality. Vide order dated April 18, 2015 ("**Transfer Order**"), the Complaint was transferred by the Principal District and Sessions Judge from the Chief Judicial Magistrate to Court of District Judge and Additional Sessions Judge, Chandrapur, Maharashtra (**ASJ**). Our Company and erstwhile director filed an application dated November 15, 2016 before the High Court of Bombay, Nagpur Bench ("**Bombay HC**") under section 482 of the CrPC for quashing order dated September 19, 2013 and May 7, 2015 ("**Process Orders**") whereby process was issued by the Chief Judicial Magistrate against the accused. Our Company and Directors Sandeep Jain, Sanjeev Jain and erstwhile director also filed a criminal revision application under section 397 of the CrPC for quashing of the Complaint before the Court of District and Sessions Judge, Chandrapur on October 16, 2017. Vide order dated June 29, 2019 the criminal revision application was rejected. Vide order dated February 25, 2021, the Bombay HC disposed of the application filed by our Company and Directors by quashing the Process Orders and directed the Chief Judicial Magistrate, Chandrapur to comply with the provisions of section 202 of the Code of Criminal Procedure and consider the matter afresh. The matter is currently pending before the ASJ.

7. A complaint dated March 19, 2013 was filed by the Drugs Inspector, Food and Drugs Administration, Jalna, Maharashtra ("**DI**") before the Chief Judicial Magistrate, Jalna, Maharashtra, against our Company, its erstwhile director Narendra Dev Sachdeva and others, for contravening the provisions of section 17(a) read with sections 16(1)(a) and 34 punishable under section 27(d) of the Drugs and Cosmetics Act, 1940 in respect of manufacturing of

the drug with accelofenac, paracetamol and serratiopeptidase (“**Product**”), which was alleged to be of sub-standard quality. The matter is currently pending.

8. A complaint dated September 8, 2022 was filed by the Deputy Drugs Controller, Central Drugs Standard Control Organisation, Mumbai, Maharashtra before the Metropolitan Magistrate, Mazgaon, Maharashtra (“**Metropolitan Magistrate**”) against our Company and erstwhile director Vijay Pal Singh Rawat for contravening the provision of section 18(a)(i) read with section 16 punishable under section 27(d) of the Drugs and Cosmetics Act, 1940 for manufacturing the drug atorvastatin tablets IP (“**Product**”) which was alleged to be of sub-standard quality. Our Company and erstwhile director Vijay Pal Singh Rawat filed an application dated March 8, 2023 under section 482 of the Code of Criminal Procedure, 1972 before the High Court of Bombay (“**Bombay HC**”) for quashing of the issuance of process dated December 8, 2022 and stay of proceedings before the Metropolitan Magistrate. Vide order dated June 7, 2023, the Bombay HC granted an interim stay in the matter. The interim relief was extended by the Bombay HC vide order dated December 13, 2023. The matter is currently pending.

9. A complaint dated February 24, 2023 was filed by the Drugs Inspector, Nandigama, Andhra Pradesh before the Additional Judicial Magistrate of First Class, Tiruvuru, Andhra Pradesh (“**Judicial Magistrate**”) against our Company and its directors Sanjeev Jain and Sandeep Jain for contravening the provision of section 18(a)(i) read with sections 16(1)(a), 18B and 22(1)(cca) punishable under section 27(d) of the Drugs and Cosmetics Act, 1940 for manufacturing the drug ranitidine tablets IP (“**Product**”) which was alleged to be of sub-standard quality. The matter is currently pending.

10. A complaint dated June 28, 2011 was filed by the Drugs Inspector, Vishakhapatnam before the Additional Chief Metropolitan Magistrate, Vishakhapatnam, Andhra Pradesh against our Company, its erstwhile directors Narendra Dev Sachdeva and MP Singh and others for contravening the provision of section 18(a)(i) and section 18B punishable under section 27(d) of the Drugs and Cosmetics Act, 1940 for manufacturing the drug pantaprazole tablets (“**Product**”) which was alleged to be of sub-standard quality. Vide orders dated October 1, 2020 and December 29, 2023, the High Court of Andhra Pradesh (‘**Andhra Pradesh HC**’) granted an interim stay in the matter. The matter is currently pending.

11. A complaint dated July 29, 2016 was filed by the Drug Control Officer, Baran, Rajasthan through State of Rajasthan before the Chief Judicial Magistrate, Baran, Rajasthan (“**Chief Judicial Magistrate**”) against our Company, its erstwhile director Narendra Dev Sachdeva and others for contravening the provision of section 18(a)(i) punishable under section 27(d) of the Drugs and Cosmetics Act, 1940 for manufacturing aceclofenac and paracetamol tablets (“**Product**”) which was alleged to be of sub-standard quality. Our Company and other accused filed an application under section 482 of the Code of Criminal Procedure, 1972 before the High Court of Rajasthan (“**Rajasthan HC**”) for quashing and stay of the proceedings before the Chief Judicial Magistrate. Vide order dated September 15, 2022, the Rajasthan HC granted interim relief to our Company whereby no coercive action was to be taken against our Company. Vide order dated October 06, 2023, the Rajasthan HC extended the interim relief. The matter is currently pending.

12. A complaint dated October 16, 2017 was filed by the Drug Inspector, Sawaimadhopur, Rajasthan before the Chief Judicial Magistrate, Sawaimadhopur, Rajasthan (“**Chief Judicial Magistrate**”) against our Company, its director Narendra Dev Sachdeva and others for contravening the provision of section 18(a)(i) punishable under section 27(d) of the Drugs and Cosmetics Act, 1940 for manufacturing aceclofenac and paracetamol tablets (“**Product**”) which was alleged to be of sub-standard quality. Our Company and other accused filed an application under section 482 of the Code of Criminal Procedure, 1972 before the High Court of Rajasthan (“**Rajasthan HC**”) for quashing and stay of the proceedings before the Chief Judicial Magistrate. Vide order dated November 10, 2022, the High Court of Rajasthan (“**Rajasthan HC**”) granted interim relief to our Company and erstwhile director Narendra Dev Sachdeva whereby no coercive action was to be taken till further orders. The interim relief was extended by the Rajasthan HC vide order dated December 21, 2023. The matter is currently pending.

13. A complaint dated June 12, 2012 was filed by the Drug Inspector, Vishakhapatnam, Andhra Pradesh before Additional Chief Metropolitan Magistrate, Vishakhapatnam, Andhra Pradesh (“**Additional Magistrate**”) against our Company, its erstwhile directors Narendra Dev Sachdeva, MP Singh (“**Erstwhile Directors**”) and others for contravening the provision of section 18(a)(i) and section 18B punishable under section 27(d) of the Drugs and Cosmetics Act, 1940 for manufacturing and distributing rabeprazole and domperidone capsules (“**Product**”) which was alleged to be of sub-standard quality. Vide order dated January 12, 2022, the Additional Magistrate ordered the abatement of the case against the Erstwhile Directors. Further, vide judgment dated January 29, 2024, the Additional Magistrate acquitted all other accused person other than our Company. Since, our Company was not represented by any authorised person, the matter is currently pending against our Company.

14. A complaint dated April 20, 2023 was filed by the Central Drugs Standard Control Organisation, Kolkata, West Bengal before Chief Judicial Magistrate, Malda, Kolkata, West Bengal against our Company and erstwhile director Vijay Pal Singh Rawat for contravening the provision of section 18(a)(i),and section 16 punishable under section 27(d) of the Drugs and Cosmetics Act, 1940 for manufacturing the drug Pantoprazole Sodium Tablets 40 mg (“**Product**”) which

was alleged to be not of standard quality. The matter is currently pending.

15. A complaint dated September 4, 2020 was filed by the Drug Inspector, Egmore, Chennai before Metropolitan Magistrate, Egmore, Chennai against our Company for contravening the provisions of section 18(a)(i), punishable under section 27(d) of the Drugs and Cosmetics Act, 1940. Our Company received summons from the Metropolitan Magistrate dated April 8, 2022. The matter is currently pending.

16. A complaint dated October 20, 2023 was filed by the Drug Inspector, Jangareddigudem, Andhra Pradesh before the Judicial Magistrate of First Class Court, Jangareddigudem ("**Judicial Magistrate**") against our Company, erstwhile directors Basant Kumar Singh, Narendra Sachdeva Dev and Director Sandeep Jain ("**Accused**") for contravening the provision of section 18(a)(i), punishable under section 27(d) of the Drugs and Cosmetics Act, 1940. The Accused received summons dated December 18, 2023 from the Judicial Magistrate. The matter is currently pending.

17. A complaint dated February 24, 2023 was filed by the Drug Inspector, Tiruvuru, Andhra Pradesh before the Additional Judicial Magistrate of First Class, Tiruvuru, Andhra Pradesh ("**Judicial Magistrate**") against our Company and its directors Sanjeev Jain and Sandeep Jain for contravening the provisions of section 18(a)(i), punishable under section 27(d) of the Drugs and Cosmetics Act, 1940 for manufacturing the drug ranitidine tablets IP ("**Product**") which was alleged to be of sub-standard quality. Our Company and directors Sanjeev Jain and Sandeep Jain filed an application dated July 13, 2023 under section 482 of the Code of Criminal Procedure, 1972 before the High Court of Andhra Pradesh ("**Andhra Pradesh HC**") for quashing and stay of the proceedings before the Judicial Magistrate. Vide order dated July 14, 2023, the Andhra Pradesh HC granted an interim stay for eight weeks against all further proceedings in the matter. Our Company has filed for extension of the interim stay. The matter is currently pending.

18. There are 3 complaints against our Company and 1 complaint against the Directors of our Company for violations under the Drugs and Cosmetics Act, 1940. Neither our Company nor our Directors have received any summons yet in these complaints. The copy of the complaints are not available with our Company or any of its Directors neither does our Company or our Directors have any access to information pertaining to these matters. The details of the complaints included herein are disclosed based on the information available from publicly available database.

19. Our Company received a letter dated November 10, 2020 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that our Company has manufactured/marketed Timolol0.5% 5ml eye drops ("**Product**") above the ceiling price notified via notification S.O. No. 4128(E) dated December 22, 2016 and, thus, acting in contravention of Paras 13(1), 14(1), 14(2), 24(1) and 24(3) of the Drugs Price Control Order, 2013. The NPPA directed our Company to submit information regarding batch wise production and sale details with corresponding Maximum Retail Price ("**MRP**") sold to public at higher MRP from the Product till compliance of the applicable notified ceiling price duly certified by Chartered/Cost Accountant. Our Company submitted its reply to the Letter on February 4, 2021. The matter is currently pending.

20. Our Company received a letter dated November 23, 2021 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that our Company has been selling Meropenem injection IP ("**Product**") in contravention of Para 20 of the Drugs Price Control Order, 2013 by increasing maximum retail price of the Product beyond 10% during the preceding twelve months. The NPPA directed our Company to submit information regarding batch wise production and sale details of the Product from May 2013 till November 23, 2021 duly certified by Chartered/Cost Accountant. Our Company submitted its reply to the Letter on December 08, 2021. The matter is currently pending.

21. Our Company, received a letter dated September 29, 2021 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that our Company has not furnished information/documents with respect to earlier letters from NPPA dated March 4, 2016 and April 13, 2016 ("**former letters**") wherein our Company was alleged to have violated the Drugs Price Control Order, 2013 for price violation in respect of manufacturing of Ampicillin 250 capsules ("**Product**"). The NPPA directed our Company to submit information regarding batch wise production and sale details of the Product with corresponding Maximum Retail Price ("**MRP**") from the date of launch of the Product till September 29, 2021 duly certified by Chartered/Cost Accountant. Our Company submitted its reply to the Letter on October 14, 2021 arguing that the reply to the former letters had already been submitted on March 12, 2016 and May 6, 2016 respectively. The matter is currently pending.

22. Our Company, received a letter dated September 29, 2021 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that our Company has not furnished information/documents with respect to earlier letters from NPPA dated June 19, 2015 and June 06, 2016 ("**former letters**") wherein our Company was alleged to have violated the Drugs Price Control Order, 2013 for price violation in respect of manufacturing of drug with Amoxycillin and clavulanic acid tablets ("**Product**"). The NPPA directed our Company to submit information regarding batch wise

production and sale details of the Product with corresponding Maximum Retail Price ("**MRP**") from the date of launch of the Product till September 29, 2021, duly certified by Chartered/Cost Accountant. Our Company submitted its reply to the Letter on October 14, 2021 arguing that the reply to the former letters had already been submitted on June 25, 2015 and June 15, 2016. The matter is currently pending.

23. Our Company, received a letter dated July 14, 2021 ("**Letter**") from Joint Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that our Company has not furnished information/documents with respect to an earlier letter from NPPA bearing file number 21(1326)2008/Div.IV/NPPA ("**former letter**") wherein our Company was alleged to have violated the Drugs Price Control Order, 1995 for charging higher price than the notified price in respect of manufacturing/marketing drugs with metformin, myoinositol and gentamicin and dexamethasone drops ("**Product**"). Our Company submitted its reply to the Letter on September 3, 2021 arguing that the reply to the former letter had already been submitted on September 18, 2008, October 4, 2008, October 11, 2008 and July 22, 2009. Thereafter, the NPPA sent another letter dated September 14, 2021 ("**Second Letter**") alleging that the contentions raised by our Company are untenable and directed our Company to furnish the batch wise production/sales details of the Product and corresponding maximum retail price from the date of the issue of the price notification order to September 14, 2021 duly certified by a chartered accountant. Our Company submitted its reply to the Second Letter on September 20, 2021. The matter is currently pending.

24. Our Company received a letter dated November 23, 2021 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that our Company has been selling Paracetamol 1000mg/100 ml infusion IP ("**Product**") in contravention of Para 20 of the Drugs Price Control Order, 2013 by increasing maximum retail price of the Product beyond 10% during the preceding twelve months. The NPPA directed our Company to submit information regarding batch wise production and sale details of the Product from May 2013 till November 23, 2021 duly certified by Chartered/Cost Accountant. Our Company submitted its reply to the Letter on December 08, 2021. The matter is currently pending.

25. Our Company received a letter dated June 17, 2022 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that our Company has not furnished information/data with respect to an earlier letter from the NPPA dated January 08, 2019 ("**former letter**") wherein our Company was alleged to have violated the Drugs Price Control Order, 2013 for price violation in respect of manufacturing Ceftriaxone 1000 injection 1g ("**Product**"). The NPPA directed our Company to submit information regarding batch wise production and sale details of the Product from date of launch of the Product till June 17, 2022 duly certified by Chartered/Cost Accountant. Our Company submitted its reply to the Letter on June 30, 2022. The matter is currently pending.

26. Our Company received a letter dated March 21, 2022 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging our Company to have violated the Drugs Price Control Order, 2013 ("**DPCO**") for price violation in respect of a drug with sodium valproate and valproic acid tablets ("**Product**"). The NPPA directed our Company to explain reasons for violation of the DPCO, submit Form II/III/IV and also submit batchwise production and sales details of the Product duly certified by a Chartered Accountant. Our Company submitted its reply to the Letter on March 31, 2022. The matter is currently pending.

27. Our Company received two letters dated April 25, 2023 and August 24, 2023 ("**Letters**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging our Company to have violated the Drugs Price Control Order, 2013 for price violation in respect of Nitrofurontoin 100 mg tablets ("**Product**"). The NPPA directed our Company to explain reasons for violation of the DPCO, submit Form II/III/IV and also submit batchwise production and sales details of the Product duly certified by a Chartered Accountant. Our Company submitted its reply to the Letters on May 11, 2023 and September 13, 2023 respectively. The matter is currently pending.

28. Our Company received a letter dated January 10, 2023 ("**Letter**") from Joint Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging our Company to have violated the Drugs Price Control Order, 2013 for price violation in respect of Ampicillin500 capsules ("**Product**"). The Letter referred to the Show Cause Notice ('**SCN**') sent to the Company in relation to the same subject matter dated October 14, 2015 and the reply filed by the Company to the SCN on October 20, 2015. The NPPA directed our Company to deposit ₹ 0.44 million which is the alleged overcharged amount along with interest within 30 days from the date of the Letter. Further, our Company was directed to furnish batch wise, month wise quantitative details of production and corresponding sales with Maximum Retail Price ("**MRP**") of the Product sold to public from June 21, 2013 to till compliance of applicable ceiling price notification duly certified

by Chartered/Cost Accountant. Our Company submitted its reply to the Letter on January 17, 2023. The matter is currently pending.

29. Our Company received a letter dated February 14, 2022 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that our Company has manufactured/marketed Mifepristone IP 200mg and Misoprostol IP 200 mcg ("**Product**") at a price higher than the notified ceiling price in contravention of the Drugs Price Control Order, 2013. The NPPA directed our Company to furnish batch wise quantitative production and sales details with corresponding Maximum Retail Price ("**MRP**") from the date of first notification of ceiling price of the Product till February 14, 2022 duly certified by Chartered/Cost Accountant. Our Company submitted its reply to the Letter on February 25, 2022. The matter is currently pending.

30. Our Company received a letter dated January 11, 2023 ("**Letter**") from the National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging our Company has been manufacturing/marketing a tablet containing Albendazole 400mg ("**Product**"), at a price higher than the notified ceiling price as per the NPPA vide S.O. No. 1793(E) dated June 21, 2013. The NPPA directed our Company to deposit ₹ 10.34 million which is the alleged overcharged amount along with interest within 30 days from the date of the Letter. The NPPA also directed our Company to furnish batch wise quantitative production and sales details with corresponding Maximum Retail Price ("**MRP**") from the date of first notification of ceiling price of the Product till compliance of applicable ceiling price notification duly certified by Chartered/Cost Accountant. Our Company submitted its reply to the Letter on January 17, 2023. Subsequently, our Company received another letter dated January 12, 2024 ("**Second Letter**") where it was directed by the NPPA to deposit ₹ 8.81 million for overcharged amount in respect of the Product along with an interest of ₹ 7.87 million. Our Company submitted its reply to the Second Letter on February 3, 2024 by refuting the allegations made. The matter is currently pending.

31. Our Company received a letter dated December 24, 2023 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that our Company has manufactured/marketed Heparin 5000 injection ("**Product**") at a price higher than the notified ceiling price in contravention of the Drugs Price Control Order, 2013 ("**DPCO**"). The NPPA directed our Company to submit From II under the DPCO and furnish batch wise quantitative production and sales details with corresponding Maximum Retail Price ("**MRP**") from the date of launch of the Product to December 24, 2023. Our Company submitted its reply to the Letter on February 3, 2024. The matter is currently pending.

32. Our Company received a letter dated December 27, 2023 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that our Company has not filed Form V in respect of the manufacturing /marketing of Oflaxcin Tablet 200mg ("**Product**"). The NPPA directed our Company to submit Chartered/Cost Accountant certified data of batch wise production and sales details including Maximum Retail Price ("**MRP**") from May 2013 till July 17, 2023. PCHL submitted its reply to the Letter on July 27, 2023. The matter is currently pending.

33. Our Company received an advance license dated January 19, 2009 ("**Advance Authorisation**") under the Foreign Trade (Development and Regulation) Act, 1992 (the "**Foreign Trade Act**") from the Joint Director General of Foreign Trade, New Delhi ("**DGFT**") for a period of 24 months. The Advance Authorisation was granted for import/ export of specified quantities of Hydrocortisone Sodium Succinate, Sterile USP 145mg and Vancomycin Hydrochloride, Sterile, USP 540mg ("**Products**"). Our Company received several notices and letters from the DGFT during 2012-2013 ("**First Notices**") under Section 14 of the Foreign Trade Act for the alleged violation of sections 11(2) and 9(4) of the Foreign Trade Act and Rule 7 of the Foreign Trade (Regulation) Rules, 1993 ("**FTR Rules**") in respect of fulfilment of export obligations under the Advance Authorisation by our Company and asking our Company to show cause as to why (i) our Company should not be placed in the 'denied entity list' ("**DEL**") under Section 7(1)(k) of the FTR Rules; (ii) penalty under Section 11(2) of the Foreign Trade Act should not be imposed on our Company; and (iii) the Import Export Code of our Company should not be suspended under section 11(7) of the Foreign Trade Act. Our Company responded to these First Notices by disputing the allegations made therein and stating that it has fulfilled the export obligations under the Advance Authorisation. However, our Company was put in the DEL vide order dated December 19, 2012 passed by the DGFT ("**DEL Order**"). Our Company also made a deposit of ₹3.43 million towards customs duty along with interest with the Deputy Commissioner of Customs, Grade VII, Office of the Commissioner of Customer, New Delhi on March 19, 2013 to regularise the excess imports of the Products made by our Company.

    Our Company again received several notices in 2022-2023 ("**Second Notices**") reiterating the allegations made in the First Notices. Our Company responded to the Second Notices by disputing the allegations made therein and stating that it has also made deposits to regularise the excess imports. Vide order dated March 3, 2023 ("**DGFT Order**"), the Deputy DGFT held that our Company has failed to fulfil the export obligations coupled with the imports made by our Company by obtaining duty concessions. The DGFT Order imposed a penalty of ₹0.2 million on our Company under section 11(2) of the Foreign Trade Act. Our Company filed an appeal against the DGFT Order before the Additional

DGFT on April 10, 2023. Vide order dated June 13, 2023 ("**Appeal Order**"), the Additional DGFT allowed the appeal filed by our Company and remitted the case to the relevant authority for de novo examination. Further, the DEL Order was put in abeyance for 60 days. However, despite the Appeal Order, our Company was not removed from the DEL and neither was the Advance Authorisation redeemed. Vide letter dated September 12, 2023 ("**Abeyance Letter**"), the Foreign Trade Development Officer ("**FTDO**") approved the grant of abeyance from inclusion of our Company in the DEL for a period of 60 days. Our Company again wrote to the Additional DGFT vide its letter dated October 10, 2023 ("**Letter for Redemption**") requesting for enforcement of the Appeal Order and granting redemption of the Advance Authorisation to our Company along with the permanent removal of our Company from the DEL. Vide letter dated December 13, 2023, the FTDO disputed the correctness of the Letter for Redemption. Our Company reiterated its submissions before the Additional DGFT for redemption of Advance Authorisation and permanent removal of our Company's name from DEL vide its letter dated December 18, 2023. The matter is currently pending before the Additional DGFT.

34. Our Company received a summons dated February 3, 2022 from the Assistant Director, Directorate of Enforcement, Ministry of Finance, Government of India ("**ED**") - Chandigarh-I Zonal Office, under sections 50(2) and 50(3) of the Prevention of Money Laundering Act, 2002, as amended ("**PMLA**") in relation to ECIR/ CDZO-I/ 01/ 2022/ 993 ("**2022 Summons**"), seeking attendance of a Director of our Company on February 10, 2022. Vide the 2022 Summons, the ED sought information, among others, in relation to the corporate insolvency resolution process ("**CIRP**") of Parabolic Drugs Limited ("**Parabolic**"), a company acquired by us through CIRP proceedings in terms of the Insolvency and Bankruptcy Code, 2016 along with details of assets taken over by our Company from Parabolic pursuant to such acquisition. The ED also sought information relating to borrowings of Parabolic and details of shareholding of Parabolic held by non-resident Indians, foreign institutional investors, foreign venture capital funds, banks and others. In response to the 2022 Summons, our Director, Sanjeev Jain, and Company Secretary and Compliance Officer, Dharamvir Malik, appeared before the ED on February 14, 2022 and submitted a statement on the questions specified in the 2022 Summons. Vide letter dated February 19, 2022, our Company also submitted details in relation to the foreign investment received by the Company along with details of utilisation of the same by our Company as requisitioned by the ED. Our Company has not received any further communication from the ED in respect of the 2022 Summons.

35. Sanjeev Jain, in his capacity as a Director of our Company, received a summons dated January 5, 2024 in relation to ECIR/MBZO/13/2016, from the Assistant Director, ED - Mumbai Zonal Office – 1, under sections 50(2) and 50(3) of the PMLA ("**2024 Summons**"), seeking personal appearance and details pertaining to bank accounts of Sanjeev Jain, his family members, our Company and information, among others, on Arshad Yusuf Wahedana, his family members, and entities owned by him, and in relation to business/financial transactions by our Company with Temova Pharma Limited ("**Temova**"). In response to the above 2024 Summons, our Company, through Sanjeev Jain, made an appearance before the ED on February 1, 2024 and provided the requisite details in respect of the transaction undertaken by our Company with Temova in 2022 of an aggregate amount of USD 9.00 million. Further, Sanjeev Jain also informed the ED that neither him nor the Company or its associates have had any dealings and/or business transactions with Arshad Yusuf Wahedana, his family members or any entities owned by him. Additional documents, as sought by the ED during the personal appearance were submitted by our Company vide an e-mail dated February 5, 2024.

Criminal Litigation

Nil

Material Civil Litigation

1. Sanjeev Khandelwal has filed a patent infringement suit in March, 2007 ("**Suit**") against our Company and others before the High Court of Madras ("**Madras HC**") alleging infringement of a patent by our Company in relation to the formulation containing, inter alia, cefixime and Cloaxallin. Our Company has filed a written statement before the Madras HC denying the allegations of patent infringement. The matter is currently pending.

Litigation by our Company

Criminal Litigation

1. There is an aggregate of 19 cases filed by the Company pending before various forums across India for alleged violation of section 138 of Negotiable Instruments Act, 1881 for recovery of amounts due to the Company for which cheques issued in favour of the Company by the customers/debtors etc have been dishonoured. The cumulative amount involved in these cases is ₹ 15.21 million.

2. Our Company filed a criminal complaint dated January 10, 2020 against Manish Kumar, director of Him Tec Private

Limited ("**Accused**") before the Additional District Judge, Haridwar, Uttarakhand for not supplying machinery pursuant to a purchase order placed by our Company despite the payment of money in advance. Our Company has alleged the commission of criminal breach of trust and cheating amounting to ₹ 0.79 million by the Accused. The matter is currently pending.

3. Our Company filed a criminal complaint dated March 20, 2020 for registration of a First Information Report in the Police Station, SIDCUL, Haridwar, Uttarakhand against Rohit, a General Manager of UT Limited alleging commission of criminal breach of trust and cheating in respect of non-completion of a purchase order placed by our Subsidiary, PCHL, causing an alleged loss of ₹ 5.00 million. Thereafter, our Company filed a criminal complaint dated June 15, 2020 before the court of 3rd Additional Civil Judge (J.D.), Haridwar, Uttarakhand. The matter is currently pending.

4. Our Company filed a criminal complaint dated March 20, 2020 for the registration of a First Information Report in the Police Station, SIDCUL, Haridwar, Uttarakhand against Amit Vashishth of Fabinox Industries alleging commission of criminal breach of trust and cheating amounting to ₹ 0.07 million for non-completion of a work order placed by our subsidiary, PCHL. Thereafter, our Company filed a criminal complaint dated June 15, 2020 before the 3rd Additional Civil Judge (J.D.), Haridwar, Uttarakhand. The matter is currently pending.

5. Our Company filed a criminal complaint dated March 21, 2013 for registration of a First Information Report in the Police Station, Ranipur, Haridwar, Uttarakhand against the former employee of the Company, Balwant Singh ("**Accused**"), alleging commission of theft, criminal breach of trust and cheating amounting to ₹ 0.03 million. Thereafter, our Company filed a criminal complaint dated April 2, 2013 before the Additional Chief Judicial Magistrate, Haridwar, Uttarakhand ("**Judicial Magistrate**"). Vide order dated January 17, 2024, the 3rd Judicial Magistrate issued a non-bailable warrant against the Accused. The matter is currently pending.

6. Our Company filed a criminal complaint dated March 29, 2017 for the registration of a First Information Report in the Police Station, SIDCUL, Haridwar, Uttarakhand against a vendor, Dharmesh Patil ("**Accused**"), alleging commission of criminal breach of trust, cheating amounting to ₹ 0.32 million, criminal intimidation and intentional insult with the intent to provoke the breach of peace. Thereafter, our Company filed a complaint dated April 24, 2017 before the Additional Chief Judicial Magistrate ("**ACJM**"). Vide order dated February 3, 2024, the 3rd Additional Civil Jude, Haridwar, Uttrakhand issued a non-bailable warrant against the Accused. The matter is currently pending.

7. Our Company filed a criminal complaint dated March 20, 2020 for the registration of a First Information in the Police Station, SIDCUL, Haridwar, Uttarakhand against Nirva Panchal of Super Global Industries for not supplying a machine in terms of the purchase order placed by our Company despite the payment of advance money. Our Company alleged commission of criminal breach of trust and cheating amounting to ₹ 0.17 million. Thereafter, our Company filed a criminal complaint dated June 15, 2020 before the Additional District Judge, Haridwar, Uttarakhand. The matter is currently pending.

Material Civil Litigation

1. Our Company filed a suit for recovery of ₹ 16.81 million against VHB Lifesciences Limited before the High Court of Delhi ("**Delhi HC**") on April 24, 2010 for payments due on an agreement to supply pharmaceutical formulations, dated August 02, 2005. Vide order dated July 09, 2015, the Delhi HC partly decreed the suit in favour of our Company to the amount of ₹ 2.01 million. The matter is currently pending.

2. Our Company filed a suit for recovery ("**Suit**") against Petals Innovative Machines Private Limited ("**Defendant**"), before the High Court of Judicature at Bombay ("**Bombay HC**") on April 06, 2011 for non-compliance with the timelines of the purchase orders placed by our Company dated July 28, 2006. Further the Defendant supplied defected goods which included, installation, commissioning, testing and validation of one complete vial line 300 with washing, sterling tunnel, filing and sealing machines and six vial inspection machines and five ampoule inspection machines with change parts and its accessories due to which the Company suffered losses and loss of goodwill. As per the terms and conditions of the purchase orders, the Defendants were required to supply the machines with accessories within four months from date of aforesaid purchase orders. Our Company has claimed a total of ₹33.37 million in the Suit which includes ₹ 1.24 million as liquidated damages and ₹ 20.00 million for compensation/damages. The matter is currently pending.

3. Our Company filed a suit for recovery ("**Suit**") against Fabtech Technologies International Private Limited ("**Defendant**"), before the High Court of Judicature at Bombay ("**Bombay HC**") on October 21, 2010 for non-compliance due to delay in delivery of the purchase orders placed by our Company between 2006-2008. Further, the Defendant supplied defected goods which included ampoule injectable lines with automatic washing, sterilizing tunnel, filing and sealing machines with spare parts and its accessories due to which the Company suffered huge losses and loss of goodwill. Our Company claimed a total of ₹ 79.24 million in the Suit which includes₹ 4.86 million as liquidated damages and ₹ 50.00 million for compensation/damages. The matter is currently pending.

4. Our Company filed a suit for recovery ("**Suit**") against Premedium Pharmaceuticals Private Limited and other defendants before the High Court of Delhi ("**Delhi HC**") on September 28, 2023 for payments due on an agreement to supply pharmaceutical products in terms of the agreements, dated February 18, 2019 ("**Manufacturing Agreement**") and December 17, 2019 ("**Loan License Agreement**"). As per the Manufacturing Agreement, our Company agreed to supply pharmaceutical products for the Defendant company. While our Company supplied all products to the Defendant, the latter, did not clear the payments due. Our Company claimed a total of ₹ 61.88 million in the Suit. The matter is currently pending.

5. In an arbitration dispute with Fresenius Kabi Oncology Limited ("**Respondent**") before the sole arbitrator Justice (Retd.) SP Garg ("**Arbitrator**"), Welcure Drugs and Pharmaceuticals Limited ("**Welcure**") was awarded, vide the arbitral award dated April 30, 2019 ("**Arbitral Award**"), an amount of ₹11.95 million which included ₹3.85 million with interest at 9% compounded annually from the date of filing of the claim till realization and ₹ 8.1 million towards compensation along with the cost of arbitration. The Respondent filed an application dated July 25, 2019 under section 34(2) of the Arbitration and Conciliation Act 1996 (the "**Arbitration Act**") before the High Court of Delhi ("**High Court**") for setting aside the Arbitral Award. Simultaneously, Welcure filed an application under section 36(2) of the Arbitration Act for enforcement of the Arbitral Award. While the aforesaid proceedings were ongoing before the High Court, Welcure and our Company entered into an agreement dated September 14, 2022 ("**Agreement**") whereby all actionable claims of Welcure were assigned to our Company in exchange of the part payment of the debt owed by Welcure to our Company. Subsequently, our Company filed an application dated November 29, 2022 before the High Court for being substituted as a party to the proceedings in place of Welcure. The matter is currently pending.

6. Our Company filed a suit for recovery ("**Suit**") against Leo Medicine and others before the Court of District Judge, Rohini Courts, Delhi ("**District Judge**") January 22, 2016 for payments due on the purchase orders made by the defendants pursuant to an agreement to supply pharmaceutical products dated September 12, 2013 ("**Manufacturing Agreement**"). While our Company supplied all products to the defendant, the latter, did not clear the payments due. Our Company claimed a total of 9.99 million in the Suit. Vide order dated October 4, 2023 ("**Decree**"), the District Court decreed the matter in favour of our Company and directed the defendant to pay a sum of ₹ 9.99 million along with interest at the rate of 8% per annum. Our Company is going to file an application for the execution of the Decree before the court of competent jurisdiction.

7. Avha Lifesciences Private Limited ("**ALPL**") has filed an application dated September 05, 2022 before the High Court of Delhi ("**Delhi HC**") for the appointment of a sole arbitrator in the dispute arising from the breach of an sales and service agreement dated October 13, 2020 by M/S Technomax Infosolutions. The claim involved for recovery in the said dispute is ₹ 32.50 million. Vide order dated October 05, 2023, the Delhi HC allowed the application and appointed Mr. Pramod Saigal as the sole arbitrator for the dispute. ALPL has entered into a deed of assignment dated January 25, 2023 with our Company whereby ALPL's debtors, receivables and all legal proceedings swere assigned to our Company in exchange of the settlement of loans availed by ALPL from our Company pursuant to which certain claims of ALPL including the claim involved in this arbitration are assigned to the Company. The matter is currently pending before the arbitrator.

Litigation involving our Promoters

In addition to the litigation proceedings involving our Company, where our individual Promoters, Sandeep Jain and Sanjeev Jain, are also involved in their capacity as Directors of our Company, as disclosed in "*Litigation against our Company"* on page 362, our Promoters are involved in the following litigations:

Litigation against our Promoters

Actions taken by Regulatory and Statutory Authorities

Nil

Criminal Litigation

Nil

Material Civil Litigation

Nil

Litigation by our Promoters

Criminal Litigation

Nil

Material Civil Litigation

Nil

Litigation involving our Directors

In addition to the litigation proceedings involving our Company, where our Directors are also involved in their capacity as Directors of our Company, as disclosed in "*Litigation against our Company"* on page 362, our Directors are involved in the following litigations:

Litigation against our Directors

Actions taken by Regulatory and Statutory Authorities

Nil

Criminal Litigation

Nil

Material Civil Litigation

1. The Assessing Officer of the Income Tax Department had raised a demand of ₹28.92 million (plus interest) against our Director Kewal Kundnalal Handa, under Section 143(3) of the Income Tax Act, 1961 in respect of capital gains pertaining to AY 2020-21. An appeal has been filed by Kewal Kundanlal Handa against the said demands raised by the Assessing Officer. The matter is currently pending.

Litigation by our Directors

Criminal Litigation

Nil

Material Civil Litigation

Nil

Litigation involving our Subsidiaries

Litigation against our Subsidiaries

Actions taken by Regulatory and Statutory Authorities

1. MNL received a show cause notice ("**SCN**") dated May 4, 2018 from the Assistant Registrar of Companies, NCT of Delhi and Haryana ("**Assistant RoC**"), alleging non-compliance with provisions pertaining to corporate social responsibility ("**CSR**") i.e., section 135 of the Companies Act, 2013. It was alleged by the Assistant RoC that MNL violated section 135 of the Act by not disclosing the following: (i) composition of its CSR Committee, (ii) CSR Policy, (iii) CSR initiatives taken by the Company and (iv) not spending/under spending the CSR amount. Vide reply dated May 19, 2018, MNL refuted the allegations by stating that it does not come within the purview of section 135 of the Act. The matter is currently pending.

2. Burroughs Welcome Pharmacia Private Limited ("**BWPPL**") received a show cause notice ("**SCN**") dated September 29, 2023 from the Deputy Registrar of Companies, NCT of Delhi and Haryana ("**Deputy RoC**"), alleging violation of section 89 of the Companies Act, 2013. It was alleged that BWPPL failed to declare beneficial interest holders in its shares. BWPPL replied to the SCN vide letter dated October 10, 2023. The matter is currently pending.

3. Parabolic Drugs Limited (now PCHL) received a multiple notices and letters ("**Notices**") between 2019-2022 from the Cost Audit Branch, Ministry of Corporate Affairs, Government of India for violating the provisions of section 148 of the Companies Act, 2013 (the "**Act**") by not filing the cost audit report for the financial year ending March 31, 2019. While replies to these Notices were duly made and correctness of the allegations was disputed, the Registrar of Companies, Chandigarh ("**ROC**"), filed a criminal complaint dated September 6, 2022 against ALL (formerly

Parabolic Drugs Limited and now PCHL) and others under section 148(8) of the Act punishable under section 147(1) of the Act before the Chief Judicial Magistrate, Chandigarh ("**Chief Judicial Magistrate**") for not filing the cost audit report. The matter is currently pending.

4. MLPL, received a letter dated November 18, 2022 from the Deputy Labour Commissioner, Haridwar, Uttarakhand ("**DLC**") alleging that annual particulars regarding the payment of bonus to MLPL's employees have not been submitted before the DLC. The DLC directed MLPL to submit the same. MLPL submitted its reply to DLC on November 26, 2022 stating that it has already submitted the requisite details under the Payment of Bonus Act, 1965. The matter is currently pending.

5. MNL, received a letter dated July 26, 2023 from the Deputy Labour Commissioner, Haridwar, Uttarakhand ("**DLC**") alleging that annual particulars regarding the payment of bonus to MNL's employees have not been submitted before the DLC. The DLC directed MNL to submit the same. MNL submitted its reply to DLC on August 1, 2023 stating that it has already submitted the requisite details under the Payment of Bonus Act, 1965. The matter is currently pending.

6. PCHL received a summons dated October 19, 2023 ("**Summons**") to appear, before the Assistant Regional Provident Fund Commissioner, Dehradun, Uttarakhand ("**ARPFC**") for a hearing under section 14B of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 ("**EPF Act**") from the ARPFC alleging belated remittances made between the period March 17, 2017 to September 30, 2023. The cumulative amount including damages and interest under section 7Q of the EPF Act specified in the Summons is ₹ 11,098. PCHL replied to the Summons on October 30, 2023, stating that it has already made the aforesaid payment under sections 14B and 7Q of the EPF Act. The matter is currently pending.

7. A complaint dated August 31, 2021 was filed by the Drugs Inspector, Department of Food and Drugs Administration, Bambolim, Goa, before the Principal District and Sessions Judge, Panaji, Goa ("**ASJ**") against AHL, its erstwhile directors Manmohan Singh, Allen Dass, Arvind Kumar and Renu Sharma and others for contravening the provision of section 16(1)(a) read with sections 18(a)(i), 17B(e) and 18(c) punishable under section 27(d) of the Drugs and Cosmetics Act, 1940 for purchasing, stocking for sale and selling the drug Rabeprazole Sodium capsules ("**Product**") which was alleged to be not of standard quality and were spurious drugs from an unlicensed manufacturer. The then directors Arvind Kumar, Manmohan Singh and Renu Sharma filed revision application under section 397 of the Code of Criminal Procedure, 1972 before the High Court of Bombay at Goa ("**High Court**") for quashing the ASJ's order for issuance of process dated May 24, 2023 ("**Process Order**"). Vide order dated October 19 2023, the High Court has quashed Process Order against the three then directors i.e., Renu Sharma, Arvind Kumar and Manmohan Singh of AHL. The matter is currently pending.

8. A complaint dated January 31, 2018 ("**Complaint**") was filed by the Drugs Inspector, Nagarkurnool, Telangana before the Judicial First Class Magistrate, Kalwakurthy, Telangana ("**Judicial Magistrate**") against MNL and its erstwhile directors Parveen Soni, Khyali Dutt, Dheeraj Kumar Arora Neena Vivek and Akansha Arya for contravening the provision of sections 3(c) and 3(d) punishable under section 7(a) of Drugs and Magic Remedies (Objectional Advertisements) Act, 1954 for manufacturing and selling the drug Ayurvedic Proprietary Medicine Syrup ("**Product**") by labelling with indications/claims such as "Useful in Amenrrohea, Dysmenorrhoea, Leucorrhoea and other gynaecology defects". The then directors Parveen Soni, Khyali Dutt, Dheeraj Kumar Arora, Neena Vivek and Akansha Arya filed an application dated August 07, 2018 under section 482 of the Code of Criminal Procedure, 1972 before the High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh ("**High Court**") for quashing the Complaint and stay of all proceedings before the Judicial Magistrate. The matter is currently pending before the High Court.

9. A complaint dated April 24, 2018 was filed by the Drugs Inspector, Keller, Shopian, Jammu and Kashmir before the Chief Judicial Magistrate, Shopian, Jammu and Kashmir ("**CJM, Shopian**") against our subsidiaries PCHL and PPL, its erstwhile directors Satya Prakash and Mahesh Malhotra respectively and others for contravening the provision of section 18(a)(i) punishable under section 27(d) of the Drugs and Cosmetics Act, 1940 for manufacturing, stocking, distributing and supplying the drug Sarvo-D tablet ("**Product**") which was alleged to be not of standard quality. Satya Prakash and Mahesh Malhotra moved an application before the High Court of Jammu and Kashmir ("**JK HC**") for transfer of the case from CJM, Shopian. Vide order dated December 20, 2019, the JK HC transferred the case to Chief Judicial Magistrate, Srinagar, Jammu and Kashmir ("**CJM, Srinagar**"). The matter is currently pending before the CJM, Srinagar.

10. A complaint dated February 16, 2021 was filed by the Drugs Control Officer, Sopore, Jammu and Kashmir before the Chief Judicial Magistrate, Sopore, Jammu and Kashmir against our subsidiary PCHL, its erstwhile Managing Director and others, for contravening the provision of section 18(a)(i) punishable under section 27(d) of the Drugs and Cosmetics Act, 1940 for manufacturing pantaprazole tablets ("**Product**") which was alleged to be not of standard quality. The matter is currently pending.

11. A complaint dated December 12, 2017 was filed by the Drugs Inspector, Srinagar, Jammu and Kashmir ("**DI**"), before

the Chief Judicial Magistrate, Srinagar against our subsidiary MLPL and others, for contravening the provision of section 18(a)(i) punishable under section 27(d) of the Drugs and Cosmetics Act, 1940 for manufacturing a drug with cefixime, dicloxacillin and lactobacillus ("**Product**") which was alleged to be not of standard quality. MLPL filed an application under section 482 of the Code of Criminal Procedure, 1972 before the High Court of Jammu and Kashmir and Laddakh ('**JK&L HC**') for quashing the Complaint and the order for issuance of process dated December 12, 2017 by the Forest Magistrate, Srinagar, Jammu and Kashmir. Vide order dated November 30, 2022, the JK&L HC granted an interim stay on the proceedings in the matter. The JK&L HC extended the interim relief vide order dated September 11, 2023. The matter is currently pending.

12. A complaint dated August 14, 2018 was filed by the Drugs Inspector, Thiruvananthapuram, Kerala before the Judicial First Class Magistrate, Thiruvananthapuram, Kerala ("**Judicial Magistrate**") against our subsidiary AHL, its erstwhile director Rajaram Shriram Samant and others for contravening the provisions of sections 18(c) and 18(a)(i) punishable under section 27(b)(ii) and 27(d) of the Drugs and Cosmetics Act, 1940 for purchasing, marketing and selling the drug Cervifert capsule ("**Product**") which was alleged of being manufactured without obtaining manufacturing license for the drug by Olive Healthcare. AHL and its then director Rajaram Shriram Samant filed an application dated October 4, 2023 under section 482 of the Code of Criminal Procedure, 1972 before the High Court of Kerala ("**High Court**") for quashing of the proceedings before the Judicial Magistrate. Vide order dated October 06, 2023, the High Court granted an interim stay of six months on the proceedings in the matter. The matter is currently pending.

13. A complaint dated February 18, 2012 was filed by the Food Safety Officer, Ghazipur, Uttar Pradesh before Additional District Magisterate, Ghazipur, Uttar Pradesh ("**ADM**") against our subsidiaries MNL, ARLL and others for contravening section 3(1)(ZF)(C)(1)of the Food and Safety Standards Act, 2006 ("**Act**") read with the Food and Safety Standards (Packaging and Labelling) Regulations, 2011 punishable under section 52 of the Act for misbranding multi vitamin with mineral capsules ("**Product**"). Vide order dated July 13, 2012 ("**Order**"), the ADM imposed a penalty of ₹ 0.15 million on MNL and ₹ 0.02 on ARLL. An appeal has been filed by MNL, ARLL and others in 2012 (**"Appeal**") before the High Court of Allahabad ("**Allahabad HC**") challenging the Order and seeking a stay on the Order. Vide order dated May 2, 2014, the Allahabad HC stayed the Order and directed presentation of the appeals before the Appellate Tribunal to be constituted under the provisions of the Act. The matter is currently pending.

14. A complaint dated December 10, 2015 was filed by the Drugs Inspector, Bhilwara, Rajasthan before the Court of Sessions Judge, Bhilwara, Rajasthan ("**Sessions Court**") against ARLL and others, for contravening the provision of section 16(1)(a), section 17(A)(f), 18(a)(i), section 18(a)(vi), section 18B, section 22(1) (cca) punishable under sections 28A, 22(3), 27(b)(i) of the Drugs and Cosmetics Act, 1940 for purchasing, selling, storing and marketing the drug ciprofloxacin tablets ("**Product**") which were alleged to be not of standard quality. ARLL and its then directors Rajesh Verma and Arifa Nauman filed an application under section 482 of the Code of Criminal Procedure, 1972 before the High Court of Rajasthan ("**Rajasthan HC**") for quashing of the proceedings before the Judicial Magistrate and discharge of the accused. Vide order dated May 24, 2019, the Rajasthan HC ordered stay on the proceedings before the Sessions Judge. The matter is currently pending.

15. There are 5 complaints against PCHL, 1 complaint against the directors of PCHL, and 1 complaint against MLPL for violations under the Drugs and Cosmetic Act, 1940. PCHL, MLPL and the directors have not received any summons yet in these complaints. The copy of the complaints are not available with our Company, PCHL or MLPL. Our Company, PCHL or MLPL do not have any access to information pertaining to these matters. The details of the complaints included herein are disclosed based on the information available from publicly available database.

16. MNL received several notices from the Food Safety Officer, Food and Drug Administration, Thane, Maharashtra during 2022-2023 ("**Notices**") calling for certain information in relation to the supply/manufacture of the drug Vitamin C 1000mg ("**Product**"). The Notices alleged that MNL has engaged in misbranding of the Product in violation of the Food Safety and Standards Act, 2006 (the "**Act**"). MNL submitted its reply to the Notices with the relevant information and disputed the correctness of the allegations. Subsequently, MNL and others received another notice dated March 31, 2023 ("**Subsequent Notice**") from the Adjudicating Officer and Joint Commissioner (Food) (Konkan Division) ("**AO**"), alleging violation of section 26(1), section 26(2)(ii), section 27(1) punishable under section 52 and section 66 of the Act for misbranding of the Product. The AO directed MNL to appear for hearing scheduled on June 5, 2023. The matter is currently pending.

17. MLPL, received a letter dated November 08, 2021 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that MLPL has not furnished information/documents with respect to an earlier letter from NPPA dated September 08, 2016 ("**former letter**") wherein MLPL was alleged to have violated the Drugs Price Control Order, 2013 for price violation in respect of manufacturing a drug with amoxycillin and clavulanic acid tablets("**Product**"). MLPL submitted its reply to the Letter on November 12, 2021 stating that the reply to the former letter had already been submitted on October 08, 2016. The matter is currently pending.

18. PCHL, received a letter dated March 26, 2021 ("**Letter**") from Assistant Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that PCHL has launched a drug with Rosuvastatin and clopidogrel capsule ("**Product**") without obtaining prior price approval as required under Para 15 of the Drugs Price Control Order, 2013. The NPPA directed PCHL to explain reasons for not obtaining prior price approval for the Product. It was also directed to provide documents viz, sample, license and invoice related to the said Product. PCHL submitted its reply to the Letter on April 01, 2021. The matter is currently pending.

19. MLPL, received a letter dated November 08, 2021 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that MLPL has not furnished information/documents with respect to an earlier letter from NPPA dated September 08, 2016 ("**former letter**") wherein MLPL was alleged to have violated the Drugs Price Control Order, 2013 for price violation in respect of manufacturing/marketing a drug with amoxycillin and clavulanic acid tablets ("**Product**"). The NPPA directed MLPL to provide the necessary information. MLPL submitted its reply to the Letter on November 12, 2021 arguing that the reply to the former letter had already been submitted on October 08, 2016. The matter is currently pending.

20. ARLL, received a letter dated September 29, 2021 ("**Letter**") from Joint Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that ARL has not furnished information/documents with respect to earlier letters from NPPA dated March 04, 2016 and April 13, 2016 ("**former letters**") wherein ARL was alleged to have violated the Drugs Price Control Order, 2013 for price violation in respect of marketing ampicillin 250 capsules ("**Product**"). The NPPA directed ARLL to furnish batch wise production/purchase and sales details of the Product along with corresponding Maximum Retail Price ("**MRP**") duly certified by Chartered Accountant/Cost Accountant from the date of launch of the Product to September 29, 2021. ARLL submitted its reply to the Letter on October 16, 2021 arguing that the reply to the former letters had already been submitted on March 12, 2016 and May 06, 2016 respectively. The matter is currently pending.

21. ARLL, received a letter dated September 29, 2021 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that ARL has not furnished information/documents with respect to earlier letters from NPPA dated June 19, 2015 and June 06, 2016 ("**Former Letters**") wherein ARL was alleged to have violated the Drugs Price Control Order, 2013 for price violation in respect of marketing a drug with amoxycillin and clavulanic acid tablets ("**Product**"). The NPPA directed ARLL to furnish batch wise production/purchase and sales details of the Product along with corresponding Maximum Retail Price ("**MRP**") duly certified by Chartered Accountant/Cost Accountant from the date of launch of the Product to September 29, 2021. ARLL submitted its reply to the Letter on October 16, 2021 arguing that the reply to the former letters had already been submitted on June 25, 2015 and June 15, 2016. The matter is currently pending.

22. NHL, received a letter dated November 23, 2021 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that NHL has been selling Paracetamol 1000mg/100 ml infusion IP ("**Product**") in contravention of Para 20 of the Drugs Price Control Order, 2013 by increasing maximum retail price of the Product beyond 10% during the preceding twelve months. The NPPA directed NHL to explain the reasons for increase in the Maximum Retail Price ("**MRP**") of the Product. Further, NHL was also directed to submit batch wise production and sales details of the Product for the period from May 2013 to November 23, 2021. NHL submitted its reply to the Letter on December 31, 2021. The matter is currently pending.

23. NHL received a letter dated November 23, 2021 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that our Company has been selling Meropenem injection IP ("**Product**") in contravention of Para 20 of the Drugs Price Control Order, 2013 by increasing maximum retail price of the Product beyond 10% during the preceding twelve months. The NPPA directed NHL to explain the reasons for increase in the Maximum Retail Price ("**MRP**") of the Product. Further, NHL was also directed to submit batch wise production and sales details of the Product for the period from May 2013 to November 23, 2021. NHL submitted its reply to the Letter on December 31, 2021. The matter is currently pending.

24. PCHL received a letter dated June 24, 2021 ("**Letter**") from Director (E), National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that PCHL has not furnished information/documents with respect to earlier letters from NPPA dated January 04, 2021 and March 31, 2021 ("**former letters**") wherein PCHL was alleged to have violated the Drugs Price Control Order, 2013 for launch of pantaprazole40 mg tablet ("**Product**") without obtaining prior price approval. PCHL

submitted its reply to the Letter on July 01, 2021 arguing that the reply to the former letters had already been submitted on January 12, 2021 and June 15, 2021. The matter is currently pending.

25. MLPL received a letter dated April 26, 2021 ("**Letter**") from Senior Statistical Officer, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that MLPL has been selling a drug with amoxycillin and clavulanic acid dry syrup 30ml ("**Product**") without following the price fixed by NPPA under Drugs Price Control Order, 2013. The NPPA directed MLPL to explain the reasons for increase in the Maximum Retail Price ("**MRP**") of the Product, furnish batch wise production/purchase and sales details of the Product along with corresponding MRP duly certified by Chartered Accountant/Cost Accountant from the date of launch of the Product to April 26, 2021. MLPL submitted its reply to the Letter on May 28, 2021. MLPL received another letter from Deputy Director of the NPPA dated September 11, 2023 alleging that the reply is refuted ("**Second Letter**"). MLPL responded to the Second Letter on September 25, 2023. The matter is currently pending.

26. MLPL received a letter dated December 07, 2022 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that MLPL has not furnished complete Chartered Accountant certified data with respect to an earlier letter from NPPA dated March 21, 2022 ("**former letter**") wherein MLPL was alleged to have been selling cefpodoxime proxetil tablet ("**Product**") in contravention of Para 20 of the Drugs Price Control Order, 2013 by increasing maximum retail price of the Product beyond 10% during the preceding twelve months. MLPL submitted its reply to the Letter on December 23, 2022 stating that the former letter has not been received by it and denying the allegations as contained in the Letter. The matter is currently pending.

27. PCHL received a letter dated July 20, 2022 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that PCHL has been overcharging in respect of a drug with sodium valproate and valproic acid tablets ("**Product**") in contravention of the Drugs Price Control Order, 2013. The NPPA directed PCHL to submit batch wise production and sales details of the Product for the period from May 2013 to July 20, 2022. PCHL submitted its reply to the Letter on August 08, 2022. The matter is currently pending.

28. MLPL received a letter dated June 17, 2022 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that MLPL has not furnished information/data with respect to an earlier letter from NPPA dated July 11, 2018 ("**Former Letter**") wherein MLPL was alleged to have been selling amoxycillin 500mg capsule ("**Product**") at a price higher than the notified price in contravention of the Drugs Price Control Order, 2013. The NPPA directed MLPL to furnish batch wise production/purchase and sales details of the Product along with corresponding Maximum Retail Price ("**MRP**") duly certified by Chartered Accountant/Cost Accountant from the date of launch of the Product to June 17, 2022. MLPL submitted its reply to the Letter on June 17, 2022 arguing that reply to the former letter had already been submitted on November 11, 2016. The matter is currently pending.

29. PPL received a letter dated June 17, 2022 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that PPL has not furnished information/data with respect to an earlier letter from the NPPA dated January 08, 2019 ("**Former Letter**") wherein PPL was alleged to have violated the Drugs Price Control Order, 2013 for price violation in respect of marketing ceftriaxone 1000 injection 1g ("**Product**"). PPL submitted its reply to the Letter on June 30, 2022 arguing that the reply to the former letters had already been submitted. PPL received a letter from the Assistant Drugs Controller/Licensing Authority ("**DC Letter**") dated August, 02, 2022 requiring it to furnish information as per the abovementioned Letter. PPL submitted its reply to the DC Letter on August 12, 2022. The matter is currently pending.

30. PCHL received a letter dated January 18, 2022 ("**Letter**") from Joint Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that PCHL has manufactured/sold acebrophylline and acetylcysteine 100/600 Tablets ("**Product**") without obtaining price approval under the Drugs Price Control Order, 2013. The NPPA directed PCHL to show cause as to why the overcharged price amounting to ₹39.49 million should not be recovered from it. Further, the NPPA directed PCHL to furnish quantitative batch wise production and sales details along with the corresponding Maximum Retail Price ("**MRP**") duly certified by Chartered/Cost Accountant for the Product. PCHL submitted its reply to the Letter on February 03, 2022. The matter is currently pending.

31. PPL received a letter dated February 14, 2022 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that PPL has manufactured/marketed Mifepristone IP 200mg and Misoprostol IP 200 mcg ("**Product**") at a price higher than the notified ceiling price in contravention of the Drugs Price Control Order, 2013. The NPPA directed PPL to show cause as to why the overcharged price along with the interest should not be recovered

from it. Further, PPL was directed to furnish batch wise quantitative production and sales details with corresponding Maximum Retail Price ("**MRP**") from the date of first notification of ceiling price of the Product till February 14, 202. PPL submitted its reply to the Letter on February 25, 2022. Further, PPL vide reply dated July 29, 2022 submitted duly certified details by the Chartered Accountant in relation to the batch wise production and sale details of the Product. The matter is currently pending.

32. AHL received a letter dated February 09, 2022 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that AHL has not furnished information/data with respect to an earlier letter from the NPPA dated August 10, 2018 ("**Former Letter**") wherein AHL was alleged to have been selling Radiffect Cream 50 gm ("**Product**") in contravention of Para 20 of the Drugs Price Control Order, 2013 by increasing maximum retail price of the Product beyond 10% during the preceding twelve months. AHL submitted its reply to the Letter on February 12, 2022 arguing that the reply to the former letter had already been submitted on September 19, 2018. The matter is currently pending.

33. AHL received a letter dated July 28, 2022 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that AHL has been selling Rosycap Gold 150/10/75 mg capsule 10 ("**Product**") in contravention of Para 20 of the Drugs Price Control Order, 2013 by increasing maximum retail price of the Product beyond 10% during the preceding twelve months. The NPPA directed AHL to explain the reasons for increase in the Maximum Retail Price ("**MRP**") of the Product. Further, AHL was also directed to submit batch wise production and sales details of the Product for the period from May 2013 to July 28, 2022. AHL submitted its reply to the Letter on August 08, 2022. The matter is currently pending.

34. PCHL received a letter dated October 21, 2022 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that PCHL has engaged in overcharging in respect of the manufacturing /marketing of a drug with sodium valporate and valproic acid ("**Product**") and not filing Form II under Drugs Price Control Order, 2013. The NPPA directed PCHL to submit batch wise production and sales details of the Product for the period from May 2013 to October 21, 2022 PCHL submitted its reply to the Letter on November 09, 2022. The matter is currently pending.

35. PCHL received a letter dated August 24, 2023 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that PCHL has not furnished Form V under the Drugs Price Control Order, 2013 for manufacturing/marketing of Rosycap Gold 10/75 capsules and Rosycap Gold 20/75 ("**Products**"). The NPPA directed PCHL to furnish Chartered/Cost Accountant certified date of batch wise production and sales details including Maximum Retail Price ("**MRP**") from Product launch date to August 24, 2023. PCHL submitted its reply to the Letter on September 13, 2023. The matter is currently pending.

36. AHL received a letter dated March 03, 2023 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that AHL has been selling ALL 9 1 MG/1500 MCG/ 0.5 MG Tablet ("**Product**") in contravention of Para 20 of the Drugs Price Control Order, 2013 by increasing maximum retail price of the Product beyond 10% during the preceding twelve months. The NPPA directed AHL to explain the reasons for increase in the Maximum Retail Price ("**MRP**") of the Product. Further, AHL was also directed to submit batch wise production and sales details of the Product for the period from May 2013 to March 3, 2023. AHL submitted its reply to the Letter on April 15, 2023. The matter is currently pending.

37. AHL received a letter dated March 03, 2023 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that AHL has been selling Rosycap Gold 150/20/75 mg capsule 10 ("**Product**") in contravention of Para 20 of the Drugs Price Control Order, 2013 by increasing maximum retail price of the Product beyond 10% during the preceding twelve months. The NPPA directed AHL to explain the reasons for increase in the Maximum Retail Price ("**MRP**") of the Product. Further, AHL was also directed to submit batch wise production and sales details of the Product for the period from May 2013 to March 3, 2023. AHL submitted its reply to the Letter on May 01, 2023. The matter is currently pending.

38. PCHL received a letter dated July 07, 2023 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that PCHL has been selling rosuvastatin10mg Tablets ("**Product**") in contravention of Para 20 of the Drugs Price Control Order, 2013 by increasing maximum retail price of the Product beyond 10% during the preceding twelve months. The NPPA directed PCHL to explain the reasons for increase in the Maximum Retail Price ("**MRP**") of the Product. Further, PCHL was also directed to submit batch wise production and sales details of the Product for the period from April 2016 to July 7, 2023. PCHL submitted its reply to the Letter on July 17, 2023. The

matter is currently pending.

39. PCHL received a letter dated July 07, 2023 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that PCHL has been selling rosuvastatin 20mg Tablets ("**Product**") in contravention of Para 20 of the Drugs Price Control Order, 2013 by increasing maximum retail price of the Product beyond 10% during the preceding twelve months. The NPPA directed PCHL to explain the reasons for increase in the Maximum Retail Price ("**MRP**") of the Product. Further, PCHL was also directed to submit batch wise production and sales details of the Product for the period from April 2016 to July 7, 2023. PCHL submitted its reply to the Letter on July 17, 2023. The matter is currently pending.

40. PCHL received a letter dated January 16, 2024 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that PCHL has been selling methylprednisolone tablets ("**Product**") at a price higher than the notified price in contravention of the Drugs Price Control Order, 2013. NPPA directed PCHL to deposit ₹ 3.30 million for the overcharged amount and an interest of ₹ 1.76 million within 21 days from January 16, 2024. In the Letter reference was also drawn to earlier letters issued by the NPPA from 2017-2023. PCHL submitted its reply to the Letter on February 3, 2024 and refuted the allegations. The matter is currently pending.

41. PCHL received a letter dated December 12, 2023 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that PCHL has been selling pantaprazole Tablet ("**Product**") in contravention of Para 20 of the Drugs Price Control Order, 2013 by increasing maximum retail price of the Product beyond 10% during the preceding twelve months. The NPPA directed PCHL to explain the reasons for increase. in the Maximum Retail Price ("**MRP**") of the Product. Further, PCHL was also directed to submit batch wise production and sales details of the Product for the period from May 2013 to December 12, 2023. PCHL submitted its reply to the Letter on February 3, 2024. The matter is currently pending.

42. PCHL received a letter dated July 17, 2023 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that PCHL has not filed Form V in respect of the manufacturing /marketing of a drug with aspirin, rosuvastatin and clopidogel capsules ("**Product**"). The NPPA directed PCHL to submit Chartered/Cost Accountant certified data of batch wise production and sales details including Maximum Retail Price ("**MRP**") from May 2013 till July 17, 2023. PCHL submitted its reply to the Letter on July 27, 2023. The matter is currently pending.

43. PCHL received a letter dated July 10, 2023 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that PCHL has launched a drug with aspirin, rosuvastatin and clopidogrel capsules ("**Product**") without obtaining prior price approval as required under Para 15 of the Drugs Price Control Order, 2013. The NPPA directed PCHL to explain the reasons for not obtaining price approval. Further, PCHL was also directed to submit batch wise production and sales details of the Product for the period from May 2013 to July 10, 2023. PCHL submitted its reply to the Letter on July 17, 2023. The matter is currently pending.

44. PCHL received a letter dated August 24, 2023 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that PCHL has launched a drug with aspirin, rosuvastatin and clopidogrel capsules capsules ("**Product**") without obtaining prior price approval as required under Para 15 of the Drugs Price Control Order, 2013. . The NPPA directed PCHL to explain the reasons for not obtaining price approval. Further, PCHL was also directed to submit batch wise production and sales details of the Product for the period from May 2013 to August 24, 2023. PCHL submitted its reply to the Letter on September 13, 2023. The matter is currently pending.

45. PCHL received a letter dated July 17, 2023 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that PCHL has launched a drug with aspirin, rosuvastatin and clopidogrel capsules capsule ("**Product**") without obtaining prior price approval as required under Para 15 of the Drugs Price Control Order, 2013. PCHL submitted its reply to the Letter on July 29, 2023. The matter is currently pending.

46. AHL received a letter dated April 17, 2023 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that Euthyroid 100 mcg Tablet 4 ("**Product**") which was sold by AHL was no longer available in the market. The NPPA directed AHL to confirm the availability of the Product in the market. Further, it was also directed to submit chartered/cost accountant certified data of batch wise production and sales details including

Maximum Retail Price ("**MRP**") from April 2018 till April 17, 2023. AHL submitted its reply to the Letter on May 03, 2023 stating the availability of the Product in the market. The matter is currently pending.

47. AHL received a letter dated April 17, 2023 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that Euthyroid 25 mcg Tablet 4 ("**Product**") which was sold by AHL was no longer available in the market. The NPPA directed AHL to confirm the availability of the Product in the market. Further, it was also directed to submit chartered/cost accountant certified data of batch wise production and sales details including Maximum Retail Price ("**MRP**") from April 2018 till April 17, 2023. AHL submitted its reply to the Letter on May 03, 2023 stating the availability of the Product in the market. The matter is currently pending.

48. AHL received a letter dated April 17, 2023 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that Euthyroid 50 mcg Tablet 4 ("**Product**") which was sold by AHL was no longer available in the market. The NPPA directed AHL to confirm the availability of the Product in the market. Further, it was also directed to submit chartered/cost accountant certified data of batch wise production and sales details including Maximum Retail Price ("**MRP**") from April 2018 till April 17, 2023. AHL submitted its reply to the Letter on May 03, 2023 stating the availability of the Product in the market. The matter is currently pending.

49. AHL received a letter dated April 17, 2023 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that AHL has been selling Fytopenem 1000 mg Injection 20 ("**Product**") in contravention of Para 20 of the Drugs Price Control Order, 2013 by increasing maximum retail price of the Product beyond 10% during the preceding twelve months. The NPPA directed AHL to explain the reasons for increase. in the Maximum Retail Price ("**MRP**") of the Product. Further, AHL was also directed to submit batch wise production and sales details of the Product for the period from April 2014 to April 17, 2023. AHL submitted its reply to the Letter on April 20, 2023. The matter is currently pending

50. AHL received a letter dated April 17, 2023 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that Goodova 100 mg Capsule 5 ("**Product**") which was sold by AHL was no longer available in the market. The NPPA directed AHL to confirm the availability of the Product in the market. Further, it was also directed to submit chartered/cost accountant certified data of batch wise production and sales details including Maximum Retail Price ("**MRP**") from April 2018 till April 17, 2023. AHL submitted its reply to the Letter on May 03, 2023 stating the availability of the Product in the market. The matter is currently pending.

51. AHL received a letter dated April 17, 2023 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that Goodova 50 mg Capsule 5 ("**Product**") which was sold by AHL was no longer available in the market. The NPPA directed AHL to confirm the availability of the Product in the market. Further, it was also directed to submit chartered/cost accountant certified data of batch wise production and sales details including Maximum Retail Price ("**MRP**") from April 2018 till April 17, 2023. AHL submitted its reply to the Letter on May 03, 2023 stating the availability of the Product in the market. The matter is currently pending.

52. MLPL received a letter dated May 29, 2023 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that MLPL has launched a drug with amoxycillin, clavulanic acid and lactobacillus tablets ("**Product**") without obtaining prior price approval. The NPPA directed MLPL to submit chartered accountant certified copies of documents to establish the date of launch of the Product for the period prior to the notification of the Drug Price Control Notification, 2013. Further, MLPL was directed to submit chartered cost accountant certified data of batch wise production and sales details including Maximum Retail Price ("**MRP**") for the Product. MLPL submitted its reply to the Letter on June 6, 2023. The matter is currently pending.

53. MBPL received two a letters dated September 19, 2022 ("**Letters**") from the National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that MBPL has been overcharging for the scheduled formulation, Budesonide nebuliser suspension and Levosalbutamol and ipratropium bromide respirator solution ("**Products**") and that MBPL has not filed Form – II/III/V as required under the Drugs Price Control Order, 2013. The Letters directed the MBPL to submit Chartered/Cost Accountant certified maximum retail price data of batch-wise production and sales details within 15 days of receipt of the Letters to avoid legal action against MBPL. MBPL submitted its reply with respect to the Products on February 22, 2023. The matter is currently pending.

54. AHL received two letters dated April 9, 2015 and May 29, 2015 ("**Letters**") from the National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi

("**NPPA**") alleging that AHL has increased the price of Clomipure 50, Goodova 50 and Enclomiphine 100 ("**Products**") in contravention of Para 20 of the Drugs Price Control Order, 2013 ("**DPCO**") by increasing maximum retail price of the Products beyond 10% during the preceding twelve months. AHL replied to the letters on June 26, 2015 stating that the Products were not covered by the DPCO due to changes in their composition. Vide letters dated September 24, 2015 and February 17, 2016 the NPPA raised demands of ₹ 31.89 million along with an interest of ₹ 5.33 million against AHL for violation of the DPCO. Subsequently, the NPPA vide letter dated March 20, 2017 directed the Collector, Thane District, Maharashtra ("**Collector**") to initiate recovery proceedings against AHL under the Revenue Recovery Act, 1890. Pursuant to the representations made thereupon before the NPPA, AHL attended a personal hearing before NPPA on September 13, 2017 ("**Personal Hearing**"). Thereupon, various letters from 2018-2023 were issued by the Collector to AHL demanding payment of the recovery amount despite no order being passed by the NPPA after the Personal Hearing. AHL filed a writ petition dated July 13, 2023 ("**First Writ Petition**") before the High Court of Delhi ("**High Court**") for quashing of the demand notices raised by the Collector and the recovery proceedings against AHL. Vide order dated August 4, 2023 the High Court allowed the relief prayed for by AHL. Further, the High Court also directed the NPPA to grant personal hearting to AHL within a period of six weeks. Thereupon, AHL attended personal hearing before the NPPA on September 11, 2023. The NPPA vide order dated November 29, 2023 ("**Order**") held AHL liable to deposit ₹106.39 million towards recovery of overcharged amount along with the applicable interest of ₹ 62.23 million in relation to the Products. AHL filed a writ petition dated January 6, 2024 ("**Second Writ Petition**") before the High Court for setting aside the Order. The matter is currently pending.

55. NHL received a letter dated October 11, 2023 ("**Letter**") from Deputy Director, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, New Delhi ("**NPPA**") alleging that NHL has manufactured/marketed Nicrodol 40 injection ("**Product**") at a price higher than the notified ceiling price in contravention of the Drugs Price Control Order, 2013 ("**DPCO**"). The NPPA directed NHL to explain the reasons for non-compliance with the DPCO. Additionally, NHL was directed to submit the copy of Form II/III/V filed under DPCO and furnish batch wise quantitative production and sales details with corresponding Maximum Retail Price ("**MRP**") of the Product. NHL submitted its reply to the Letter on February 5, 2024 seeking extension of time for submission of the required information. The matter is currently pending.

56. ALL (now PCHL) received a Show Cause Notice dated February 23, 2022 ("**First SCN**") from the Environmental Engineer, Punjab Pollution Control Board ("**PPCB**") regarding its plant situated at Village Sundran, Mubarakpur, Tehsil Dera Bassi. District SAS Nagar, Punjab ("**Plant**") wherein it was alleged pursuant to a complaint dated September 07, 2021, that the Plant was dumping its untreated waste water /effluent through the tankers situated outside and also spraying through pipes in the open area outside the Plant. Further, it was alleged that ALL had failed to obtain authorization under the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 ("**Hazardous Waste Rules**") for the Plant. The PPCB proposed to revoke/cancel the consent to operate ("**CTO**") granted to the Plant under the Water (Prevention and Control of Pollution) Act, 1974 ("**Water Act**") and the Air (Prevention and Control of Pollution) Act, 1981 ("**Air Act**"). Further, it was also proposed in the First SCN that ALL shall forthwith stop all its operations in the Plant and the supply of electricity to the Plant be not released by the Punjab State Power Corporation Limited ("**PSPCL**"). ALL received a second Show Cause Notice dated April 11, 2022 ("**Second SCN**") wherein it was given another opportunity to appear before the Chairman of the PPCB.

ALL had applied for the renewal of the authorization under the Hazardous Waste Rules in 2019 and 2021. The same were returned as being incomplete by the PPCB. ALL applied for the authorization again in 2022, and the PPCB vide Show Cause Notice dated March 15, 2022 ("**Third SCN**") proposed refusal of the said authorisation on grounds of non-compliance with the Hazardous Waste Rules as well as violation of conditions of authorisation granted earlier dated September 13, 2012 which was further extended up to January 02, 2017.

After appearing before the Chairman of the PPCB and stating compliance with the provisions of the Air Act, Water Act and the Hazardous Rules at the Plant, vide Show Cause Notice dated May 12, 2022 ("**Fourth SCN**") ALL was alleged to be in continuance of the violations under these legislations and operating the Plant without a valid CTO under the Air Act. The PPCB proposed to take action under the Fourth SCN for the alleged violations of the Air Act.

ALL received a letter dated May 27, 2022 ("**First Letter**") regarding the proceedings before the Chairman of the PPCB held on April 28, 2022 pursuant to the Second SCN. The First Letter contained the directions given by the Chairman of the PPCB to ALL regarding the Plant which included; Plant to operate its ETP, MEE and ATF devices regularly and effectively so as to achieve the prescribed standards of the PPCB, no nuisance to be caused to the public in the vicinity of the Plant, compliance with standard operating procedure, among other things. ALL was also directed to pay an environmental compensation of ₹ 0.1 million.

ALL received a notice dated July 22, 2022 from the PPCB ("**Fifth SCN**") to appear before the Chairman of PPCB on August 4, 2022 regarding the violations under the Water Act.

ALL received a letter dated August 26, 2022 ("**Second Letter**") regarding the proceedings before the Chairman of the PPCB held on August 04, 2022 pursuant to the Fifth SCN. The Second Letter contained the directions given by the

Chairman of the PPCB to ALL regarding the Plant which included; Plant to operate its ETP, MEE and ATF devices regularly and effectively so as to achieve the prescribed standards of the PPCB, no nuisance to be caused to the public in the vicinity of the Plant, compliance with standard operating procedure, among other things. ALL was also directed to pay an environmental compensation of ₹ 0.2 million. ALL was, further, directed to apply for CTOs for the Plant under the Air Act and the Water Act within one week of the order.

ALL received a Show Cause Notice dated January 17, 2023 from PPCB ("**Sixth SCN**") wherein it was alleged that it has failed to get the new authorisation under the Hazardous Wastes Rules and violated the CTOs granted under the Air Act and Water Act dated November 18, 2022. It was proposed in the Sixth SCN that the CTOs granted under the Air Act and the Water Act be revoked/cancelled. ALL was also required to appear before the Chairman of PPCB regarding the violations under the Water Act on January 27, 2023. ALL replied to the Sixth SCN vide letter dated January 23, 2023 sharing the compliance status.

ALL received a Show Cause Notice dated January 17, 2023 from PPCB wherein ("**Seventh SCN**") it was alleged that it has failed to get the new authorisation under the Hazardous Wastes Rules and failed to dispose off the bio-medical waste in accordance with the Bio-Medical Waste Management Rules, 2016 ("**Bio Waste Rules**"). It was proposed in the Seventh SCN that the authorisation granted under Hazardous Waste Rules be revoked/cancelled. It was also proposed that ALL shall forthwith stop all its operations in the Plant and the supply of electricity to the Plant be not released by the PSPCL. ALL was also required to appear before the Chairman of PPCB regarding the violations under the Water Act on January 27, 2023. ALL replied to the Seventh SCN vide letter dated January 23, 2023 sharing the compliance status.

ALL received a letter dated February 14, 2023 ("**Third Letter**") regarding the proceedings before the Chairman of the PPCB held on January 27, 2023 pursuant to the Sixth SCN. The Third Letter referred to the decision of the Chairman of the PPCB according to which the CTO granted under the Water Act be revoked and the CTO granted under the Air Act be cancelled. Further, it was directed that; the Plant shall operate its pollution control devices regularly and effectively, compliance with standard operating procedure, no discharge of any effluent or wastewater from the premises of the Plant, among other things. Subsequently, carrying out the directions under the Third Letter, ALL received a letter dated February 22, 2023 ("**Fourth Letter**") from the PPCB as per which the CTO under the Water Act was revoked. The Plant was, thereby, required to apply for a fresh CTO under the Water Act. Similarly, carrying out the directions under the Third Letter, ALL received a letter dated February 22, 2023 ("**Fifth Letter**") from the PPCB as per which the CTO under the Air Act was cancelled. The Plant was, thereby, required to apply for a fresh CTO under the Air Act.

ALL received a letter dated February 24, 2023 ("**Sixth Letter**") regarding the proceedings before the Chairman of the PPCB held on January 27, 2023 pursuant to the Seventh SCN. The Sixth Letter referred to the decision of the Chairman of the PPCB according to which ALL was directed to pay ₹ 1.00 million as environmental compensation. Further, ALL was directed to immediately apply for authorisation under the Hazardous Waste Rules. Subsequently, carrying out the directions under the Sixth Letter, ALL received a letter dated March 02, 2023 ("**Seventh Letter**") from the PPCB as per which it was directed to deposit ₹ 1.00 million in favour of the PPCB.

ALL received a Show Cause Notice dated March 02, 2023 from the PPCB ("**Eighth SCN**") in furtherance of the decision of the Chairman of the PPCB dated January 27, 2023 proposing closure of the Plant for violations under the Air Act and the Water Act. It was further proposed that an environmental compensation would be imposed on the Plant, the Plant would dismantle and remove all outlets, and stop forthwith discharging its wastewater into the sewer or through any other mode, the plant would not undertake any process unless the necessary water and air control measures are undertaken, the Plant would not restart discharging effluent/emissions until it obtains the CTO under the Water Act and the Air Act and the PSPCL shall disconnect electricity supply to the Plant. ALL was also required to appear before the Chairman of PPCB regarding the violations under the Water Act on March 13, 2023.

ALL replied to the Eighth SCN, Fourth Letter and Fifth Letter vide letter dated March 10, 2023. ALL also submitted compliance under the Seventh Letter whereby it paid ₹ 1.00 million in favour of PPCB.

ALL received a letter dated April 19, 2023 ("**Eighth Letter**") regarding the proceedings before the Chairman of the PPCB held on March 13, 2023 pursuant to the Eighth SCN. The Eighth Letter referred to the decision of the Chairman of the PPCBB according to which the Plant was required to stop all productions/operations till March 31, 2023. If found violating, notice without hearing under section 33A of the Water Act was to be given. It was further directed that the Plant shall apply for CTOs under the Air Act and the Water Act.

ALL received a Show Cause Notice dated April 21, 2023 from the PPCB ("**Ninth SCN**") wherein it was alleged that it was continuing operations in violation of the decision of the Chairman of the PPCB dated March 13, 2023. It was directed in the Ninth SCN that the Plant shall shut down all its operations and stop discharging any effluents from its industrial premises. Further, the Plant was also required to stop all its activities till valid CTOs are obtained under the Air Act and the Water Act. The PSPCL was directed to stop supply of electricity to the Plant.

ALL received a letter dated April 21, 2023 from the PPCB ("**Ninth Letter**") wherein the Chief Engineer and Deputy Chief Engineer of PSPCL were directed to stop electricity supply to the Plant pursuant to the directions issued under the Ninth SCN.

ALL submitted to the Chairman of the PPCB vide a letter dated April 26, 2023 stating that it had applied for the CTOs under the Air Act and the Water Act on March 31, 2023 pursuant to the direction of the Chairman of the PPCB dated March 13, 2023. It was submitted that the applications were rejected alleging violation regarding continuance of operations. ALL prayed for indulgence of the Chairman of the PPCB to issue necessary directions to the relevant authorities so that the CTOs may be issued. ALL also submitted a compliance status with the PPCB"s observations vide letter dated April 27, 2023.

ALL submitted to the Chairman of the PPCB vide a letters dated April 27, 2023 and May 02, 2023 stating the impact due to the plant shutdown on account of the stoppage of electricity due to directions issued under the Ninth SCN and the Ninth Letter. ALL prayed for reconsideration of the shutdown order.

ALL received a letter dated May 17, 2023 from the PPCB ("**Tenth Letter**") wherein the electricity supply to the Plant was restored for a period of six months i.e., up to October 16, 2023 subject to certain conditions regarding discharge of effluents and installation of specified technologies. ALL received the CTO under sections 25 and 26 of the Water Act vide letter dated June 16, 2023 ("**Eleventh Letter**") for a period till October 16, 2023. Vide letter dated November 21, 2023, ALL applied to the PPCB for extension of electricity supply till a final call on the CTO is taken by the authorities.

ALL received a Show Cause Notice dated November 14, 2023 from PPCB ("**Tenth SCN**") wherein it was alleged that it violated the CTOs granted under the Air Act and Water Act and also violated the provisions under these legislations. It was proposed in the Tenth SCN that the CTOs under the Air Act and the Water Act be refused. ALL was also required to appear before the Chairman of PPCB regarding the violations under the Water Act on November 20, 2023. ALL replied to the Tenth SCN vide letter dated November 18, 2023 sharing the compliance status

ALL received a Show Cause Notice dated November 15, 2023 from PPCB ("**Eleventh SCN**") wherein it was alleged that it has violated the authorisation granted under the Hazardous Waste Rules and also violated the provisions under the said legislation. It was proposed in the Eleventh SCN that the authorisation under the Hazardous Waste Rules be refused. ALL was also required to appear before the Chairman of PPCB regarding the violations under the Hazardous Waste Rules on November 20, 2023.

ALL received a letter dated November 20, 2023 from the PPCB ("**Twelfth Letter**") wherein the CTOs under the Air Act and the Water Act were refused and the supply of electricity to the Plant were directed to be stopped.

ALL wrote to the Chairman of the PPCB vide email dated November 24, 2023 referring to the reapplication for CTOs under the Air Act, the Water Act and the authorisation under the Hazardous Waste Rules. It also referred to the letter dated November 23, 2023 wherein ALL requested PPCB for extension of electricity supply to the Plant for thirty days. The matter is currently pending. For the current status of these approvals and authorisations, see "*Government and Other Approvals – Material approvals in relation to our material subsidiaries*" on page 387.

57. An application was made before the National Green Tribunal ("**NGT**") in 2023 against our subsidiary, ALL (now PCHL) alleging death of many animals and spread of diseases due to discharge of industrial chemical effluent from its plant situated at Village Sundran, Mubarakpur, Tehsil Dera Bassi. District SAS Nagar, Punjab ("**Plant**"). Vide order dated March 16, 2023 the NGT disposed off the matter directing the Punjab Pollution Control Board ("**PPCB**") and District Magistrate, Mohali ("**DM**") to look into the matter particularly with reference to mode of discharge of effluent as per the Consent to Operate ("**CTO**") granted and take remedial action. The PPCB and DM submitted the Action Taken Report dated May 11, 2023 ("**ATR**") before the Registrar General of the NGT. The ATR referred to the various actions taken by the PPCB as noted in Point 56 above. Vide order dated September 01, 2023 the NGT noted that there are certain contradictions in the ATR and issued notice to the Member Secretary, PPCB. Subsequently, vide order dated November 21, 2023 the NGT impleaded PPCB, ALL, DM and State of Punjab as respondents in the matter. Vide order January 25, 2024, the NGT directed the PPCB to submit a fresh report regarding the Plant within four weeks. The matter is currently pending.

58. One of the former employees, Kapil Kumar Jain, of our subsidiary NHL and promoter group company Avha Lifesciences Private Limited ("**ALPL**") filed a claim petition on February 02, 2022 before the Labour Court, North West Delhi ("**Labour Court**") under the Delhi Shops and Establishments Act, 1954 alleging non-payment of salary by NHL for the month of February 2022 and denial of entitlements under the ESOP. ALPL and NHL filed their joint reply on April 12, 2023. The matter is currently pending.

59. Rajiv Adya ("**Petitioner**") has filed a labour case dated June 02, 2021 against our subsidiary SPL before the Labour

Court, Rouse Avenue, Delhi ("**Labour Court**") claiming unfair labour practices against SPL. Vide order dated April 15, 2023, the Labour Court dismissed the application by Petitioner for refraining SPL from representing their case through a legal representative ("**Dismissal Order**"). The Petitioner filed a writ petition dated June 12, 2023 before the High Court of Delhi ("**Delhi HC**") under Article 226 of the Constitution of India against the Dismissal Order. The cross-examination proceedings before the Labour Court has been stayed by the High Court of Delhi vide order dated July 03, 2023. The matter is currently pending.

Criminal Litigation

1. A complaint dated December 21, 2020 has been filed by the Drug Inspector, Raigarh, Maharashtra against our subsidiary PPL alleging violations under section 18(1) of the Legal Metrology Act, 2009 and the rules made thereunder. PPL received summons dated June 12, 2023 to appear before the Magistrate of First Court. The matter is currently pending.

2. A criminal petition has been filed by Rohan Ravi Kumar against AHL in 2023 before the High Court of Karnataka. AHL has not received any summons in this matter yet. The copy of the criminal petition is not available with our Company or AHL. Neither does our Company or AHL have any access to information pertaining to this matter. The details of the criminal petition included herein are disclosed based on the information available from publicly available database.

Material Civil Litigation

1. ALL (now PCHL) filed an application dated March 12, 2021 ("**Application**") under section 60(5) of the Insolvency and Bankruptcy Code, 2016 ("**IBC**") against Punjab State Power Corporation Limited and others ("**Respondents**") before the National Company Law Tribunal, Chandigarh ("**NCLT**"). It was prayed in the Application that the Respondents be directed to abide by the terms of the approved resolution plan by the NCLT dated January 12, 2021 ("**Approved Resolution Plan**") in the corporate insolvency resolution process ("**CIRP**") of Parabolic Drugs Limited. Further, it was prayed that the outstanding electricity dues of ALL's plants at Mubarakpur and Chhachaarauli in Punjab ("**Plants**") amounting to ₹ 38.79 million pertaining to the period prior to CIRP be nullified in accordance with the Approved Resolution Plan and electricity be restored to the Plants. Vide order dated July 5, 2023 ("**NCLT Order**"), the NCLT allowed the Application and granted the relief prayed for by ALL. The Respondents filed an appeal dated August 8, 2023 before the National Company Law Appellate Tribunal, Principal Bench, Delhi ("**NCLAT**") against the NCLT Order. The matter is currently pending before the NCLAT.

Litigation by our Subsidiaries

Criminal Litigation

1. There is an aggregate of 151 cases filed by the subsidiaries of the Company pending before various forums across the country for alleged violation of Section 138 of Negotiable Instruments Act, 1881 for recovery of amounts due to the subsidiaries for which cheques issued in favour of the subsidiaries by the customers/debtor etc have been dishonoured. The cumulative amount involved in these cases is ₹ 125.95 million.

2. MNL filed a criminal complaint dated December 3, 2022 against its former employee Pramod Sharma and his wife Komal Sharma for committing criminal misappropriation, aggravated criminal breach of trust, cheating, forgery and criminal conspiracy. The matter is currently pending.

3. ARLL has filed a criminal complaint dated May 31, 2017 for registration of FIR in Police Station Rani Bagh, Delhi against its former Managing Director Sunil Bhatia for committing criminal conspiracy, criminal misappropriation, criminal breach of trust, cheating, mischief, forgery and falsification of accounts. Thereafter, ARLL filed a criminal complaint dated November 08, 2017 under section 190 of the Code of Criminal Procedure, 1972 in the court of Chief Metropolitan Magistrate, North West, Delhi The matter is currently pending.

Material Civil Litigation

1. PCHL filed a suit for recovery of ₹ 11.00 million against Calix Lifesciences Private Limited ("**Defendant**") before the Court of District Judge, North West, Delhi ("**District Court**") on December 30, 2020 for payments due on an agreement to supply pharmaceutical products in terms of the agreement ("**Supply Agreement**"), dated September 18, 2015. As per the Supply Agreement, PCHL agreed to supply pharmaceutical products for the Defendant company on principal-to-principal basis. While PCHL supplied all products to the Defendant, the latter failed to clear the payments due and stopped the business transactions with PCHL which led to it being left with used packaging materials. The

matter is currently pending.

2. PCHL filed a suit for recovery of ₹ 17.19 million per annum against Premedium Pharmaceuticals Private Limited ("**Defendant**") before the Court of District Judge, North West, Delhi ("**District Court**") on February 14, 2023 for payments due on an agreement to supply pharmaceutical products in terms of the agreement ("**Supply Agreement**"), dated February 18, 2019. As per the Supply Agreement, PCHL agreed to supply pharmaceutical products for the Defendant company on principal-to-principal basis. While PCHL supplied all products to the Defendant, the latter failed to clear the payments due and stopped the business transactions with PCHL which led to it being left with used packaging materials. The matter is currently pending.

3. ARLL entered into a Distributor on Consignee Agency Basis Agreements dated December 28, 2007 and November 12, 2012 ("**Agreements**") with M/s Krishna Pharma ("**Respondent**") for supply and selling of pharmaceutical products. The Agreements were renewed two times over the course of 2010-2015. Owing to the non-payment of pending dues under the Agreements amounting to ₹ 23.60 million (along with interest at the rate of 24 percent per annum) by the Respondent, ARLL filed an application dated December 20, 2023 under section 11 of the Arbitration and Conciliation Act, 1996 before the High Court of Delhi for the appointment of an arbitrator. The matter is currently pending.

4. Indian Drug Manufacturers Association ("**IDMA**"), of which AHL is a member, has filed a statutory writ petition in 2014 ("**Writ Petition**") against the Government of Karnataka and other respondents before the High Court of Karnataka ("**Karnataka HC**") challenging the issuance of a notification dated October 21, 2013 ("**Notification**") for alleged violation of the fundamental rights of the petitioners under Article 14 and Article 19(1) of the Constitution of India. The Writ Petition also alleges that the Notification was issued in violation the provisions of the Sales Promotion Employees (Conditions of Service) Act, 1976. Vide order dated March 19, 2014, the Karnataka HC granted an *ad interim* stay on the operation of the Notification. The matter is currently pending. The copy of the Writ Petition is not available with AHL neither does it have any access to information pertaining to this matter. The details of the Writ Petition included herein are disclosed based on the information available from publicly available database and the publicly accessible website of the Karnataka HC.

Litigation involving our Group Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigation involving our Group Companies, the adverse outcome of which may have a material impact on our Company.

Taxation claims

Except as disclosed below, there are no proceedings related to direct and/or indirect taxes pending against our Company, Promoters, Directors and Subsidiaries:

Nature of case	Number of cases	Amount involved (in ₹ million)*
Our Company		
Direct Tax	8	72.78
Indirect Tax	6	7.69
Our Promoters		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Our Directors		
Direct Tax	2	38.33
Indirect Tax	Nil	Nil
Our Subsidiaries		
Direct Tax	11	746.38
Indirect Tax	8	21.04

** To the extent quantifiable.*

Tax proceedings

Material taxation matters involving our Company

1. For the assessment year 2016-17 our Company claimed a deduction of ₹ 157.83 million in the income tax return filed under section 80IC of the Income Tax Act, 1961 ("**IT Act**"). While processing the return, Centralized Processing Centre, Bangalore ("**CPC**") restricted the deduction to ₹ 47.55 million vide order dated August 05, 2017. The consequent financial impact on the Company being ₹ 19. 25 million. Our Company filed for an application for rectification dated March 01, 2018 under section 154 of the IT Act for allowing full deduction. Vide order dated July

02,2019 the Deputy Commissioner of Income Tax rejected the application. Our Company filed an appeal dated July 12, 2019 before the Commissioner of Income Tax (Appeals), Delhi-1 under section 246A of the Act. The appeal is currently pending.

2. For the assessment year 2017-18 the Assessing Officer, National Faceless Assessment Centre ("**Assessing Officer**") vide order dated June 14, 2021 ("**Assessment Order**") adjusted an amount of ₹ 23.19 million to the returned income of our Company under section 92CA(3) of the Income Tax Act, 1961 ("**Act**") and initiated penalty proceedings under section 270A read with section 274 of the Act for alleged misreporting/underreporting of income by our Company. The consequent financial impact on our Company being ₹ 11.50 million. Further, the Assessing Officer restricted the deduction under section 35(2AB) of the Act to ₹ 142.17 million as against ₹ 156.74 million claimed by our Company. Our Company filed an appeal dated September 17, 2021 before the Commissioner of Income Tax (Appeals), Delhi-1 under section 246A of the Act against the Assessment Order. The appeal is currently pending.

3. For the assessment year 2021-22, a penalty of ₹ 11.09 million was levied on our Company for disallowance of expenses vide order dated March 22, 2023 by the Assessing Officer ('**Penalty Order**'). Our Company filed an appeal dated April 21, 2023 against the Penalty Order before the Commissioner of Income Tax. The matter is currently pending.

Material taxation matters involving our subsidiaries

1. For the assessment year 2017-18, the Deputy Commissioner of Income Tax, Chandigarh ("**DCIT**") passed an order under section 144 of the Income Tax Act, 1961 ("**Act**") dated September 26, 2021 ("**Assessment Order**") whereby the income of ALL (now PCHL) was assessed to be ₹ 617.76 million. The DCIT also issued a notice of demand ("**Demand Notice**") under section 156 of the Act for tax liabilities amounting to ₹ 734.46 million. Along with the Assessment Order and the Demand Notice, the DCIT issued a notice for initiation of penalty ("**Penalty Notice**") under section 274 read with section 270A of the Act. ALL filed a civil writ petition dated November 15, 2021 ("**Writ Petition**") before the High Court of Punjab and Haryana ("**P&H HC**") for quashing and grant of stay against the Assessment Order, Demand Notice and the Penalty Notice. Vide order dated March 25, 2022, the P&H HC directed that the demand raised pursuant to the Assessment Order be not acted upon. The matter is currently pending.

   Further, pursuant to the order of the National Company Law Appellate Tribunal dated October 17, 2023 ("**NCLT Order**") approving the scheme of arrangement between ALL and PCHL, PCHL was directed to meet the outstanding income tax demands of ALL amounting to ₹ 791.26 million. Vide order dated December 12, 2023, the National Company Law Appellate Tribunal stayed the operation of the NCLT Order in so far as PCHL's liability for ALL's income tax demands is concerned. The matter is currently pending.

2. For the assessment year 2017-18, ALL (now PCHL) received an order under section 73 of the Goods and Services Tax, 2017 dated August 1, 2023 ("**Order**") directing ALL to pay an amount of ₹ 10.10 million towards unpaid tax liability. PCHL intends to file an application against the Order. The matter is currently pending.

Outstanding dues to creditors

In terms of the Materiality Policy, creditors of our Company to whom an amount exceeding 5% of our total trade payables as of September 30, 2023, based on the Restated Consolidated Financial Information of our Company was outstanding, were considered "material" creditors. Our total trade payables as of September 30, 2023, was ₹6,108.69 million and accordingly, creditors to whom outstanding dues as of September 30, 2023, exceed ₹305.43 million have been considered as material creditors for the purposes of disclosure in this Draft Red Herring Prospectus.

As of September 30, 2023, there is no material creditor to whom our Company owes an aggregate amount of ₹ 305.43. Details of outstanding dues towards our material creditors are available on the website of our Company at https://www.akums.in/investors/.

Based on the Materiality Policy, details of outstanding dues owed to MSME creditors, material creditors and other creditors as of September 30, 2023, by our Company, on a consolidated basis are set out below:

Type of creditors	Number of Creditors	Amount (in ₹ million)
Micro, Small and Medium Enterprises	1,330	775.96
Material Creditors	Nil	Nil
Other creditors	2,998	5,332.74
Total	**4,328**	**6,108.70**

Material Developments

Except as disclosed in "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant* *developments subsequent to September 30, 2023*” on page 361 and as otherwise disclosed in this Draft Red Herring Prospectus, there have not arisen, since the date of the last financial information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

*Our Company and material subsidiaries, namely, SPL, PPL, MNL, PCHL, MLPL, NHL, AHL and AHCL, have received the following material approvals, consents, licenses, permissions, and registrations from various governmental, statutory and/or regulatory authorities required to be obtained by our Company and our material subsidiaries for the purpose of undertaking our business activities and operations ("**Material Approvals**").*

Solely for the purposes of disclosures in this section, such subsidiaries of our Company have been identified as material subsidiaries which are material in terms of (i) the definition of 'material subsidiary' stipulated under Regulation 16(1)(c) of the SEBI Listing Regulations, and (ii) the requirements specified under paragraph 11 (Financial Statements), I(A)(ii)(b) of Schedule VI of the SEBI ICDR Regulations. For details of such subsidiaries, see "History and Certain Corporate Matters – Our Subsidiaries" on 209.

*In view of the approvals listed below, our Company can undertake the Offer and its business activities, as applicable. Unless otherwise stated, these approvals or licenses are valid as of the date of this Draft Red Herring Prospectus, and in case of licenses and approvals which have expired in their normal course, we have either made an application for renewal, or are in the process of making an application for renewal. For further details in connection with the applicable regulatory and legal framework, see "**Key Regulations and Policies in India**" and "**Risk Factors**" on pages 194 and 27, respectively.*

Our Company and material subsidiaries are primarily involved in the business of manufacturing of, *inter alia*, pharmaceutical drugs. For details, see "***Our Business***" on page 171. The Material Approvals in relation to the business of our Company are provided below:

I. Material Approvals in relation to our Company

(1) *Incorporation details*

a. Certificate of incorporation dated April 19, 2004, issued to our Company under the name 'Akums Drugs and Pharmaceuticals Limited' by the RoC, under the Companies Act, 1956.

b. Certificate for commencement of business dated May 13, 2004, issued to our Company by the RoC.

c. Our Company has been allotted the corporate identity number U24239DL2004PLC125888.

(2) *Material Approvals in relation to the business operations of our Company*

a. License under the Factories Act, 1948, and state specific rules made thereunder, issued by the Labour Department, Government of Uttarakhand.

b. Consent to establish under the Water (Prevention & Control of Pollution) Act, 1974 and the Air (Prevention & Control of Pollution) Act, 1981, issued by the Uttarakhand Pollution Control Board.

c. Combined consent to operate under the Water (Prevention and Control of Pollution) Act, 1974 and the rules framed thereunder, the Air (Prevention and Control of Pollution) Act, 1981 and the rules framed thereunder, and the Hazardous & Other Wastes (Management & Transboundary Movement) Rules, 2016 , issued by the Uttarakhand Pollution Control Board.

d. License for manufacture for sale or distribution of drugs and license to sell, stock, exhibit or offer for sale, or distribute as wholesale drugs under the Drugs and Cosmetics Act, 1940, and the Drugs and Cosmetic Rules, 1945, each as amended.

e. Licenses under the Narcotic Drugs and Psychotropic Substances Act, 1985, as amended.

f. Approval of electrical installation under the Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulation, 2010.

g. Authorisation under the Legal Metrology Act, 2009 and Legal Metrology (Packaged Commodities) Rules, 2011.

h. No objection certificate from the relevant state fire departments to undertake and continue our operations.

i. License under the Food Safety and Standards Act, 2006, as amended, for trade or wholesale of *inter alia* food items intended for particular nutritional use and substances added to food.

j. Licenses for importation and storage of petroleum under the Petroleum Act, 1934, and the rules framed thereunder, each as amended.

k. Authorisation under the Indian Boilers Act, 1934 and the rules framed thereunder, each as amended.

l. Authorisation from department of water resources for abstraction of groundwater.

m. Registrations under the respective Shops and Establishment Acts of states, where our Company has operations.

n. Authorisation under the Bio Medical Waste (Management and Handling Rules), 2016, as amended.

(3) *Trade-related approvals*

Importer exporter code ("**IEC**") bearing number 0505004429 from the Office of Joint Directorate General of Foreign Trade, Department of Commerce, Ministry of Commerce and Industry, Government of India on April 26, 2005. The IEC of our Company has been put on the denied entry list by the Director General of Foreign Trade, New Delhi for the alleged violation of sections 11(2) and 9(4) of the Foreign Trade Act and Rule 7 of the Foreign Trade (Regulation) Rules, 1993. For more details, see "*Risk Factors-Legal and Regulatory Risks- The Indian pharmaceutical market is subject to extensive regulation and our failure to comply with the existing and future regulatory requirements in the pharmaceutical market could adversely affect our business, results of operations and financial condition."* and *"Outstanding Litigation and Material Developments - Litigation against our Subsidiaries - Actions taken by Regulatory and Statutory Authorities*" on page 43 and 371 respectively.

(4) *Tax related registrations*

a. The permanent account number of our Company is AAECA7090B.

b. The tax deduction account number of our Company is DELA13882B.

c. The goods and services tax identification number of our Company for National Capital of Delhi is 07AAECA7090B2ZX,for Uttarakhand is 05AAECA7090B1Z2**,** for Haryana is 06AAECA7090B1Z0, for Maharashtra is 27AAECA7090B1ZW and for Assam is 18AAECA7090B1ZV

d. The professional tax registration number of our Company under the applicable state law.

(5) *Material labour and employment related approvals*

a. Registration under the Contract Labour (Regulation and Abolition) Act, 1970.

b. Registrations under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, as amended.

c. Compliances under the Payment of Gratuity Act, 1972, as amended.

d. Registration under the Employees State Insurance Act, 1948, as amended.

II. Approvals in relation to the Offer

For details of the approvals and authorisations obtained by our Company in relation to the Offer, see "*Other Regulatory and Statutory Disclosures – Authority for the Offer*" on page 391.

III. Material Approvals in relation to our material subsidiaries

(1) *Incorporation details*

The incorporation details of our material subsidiaries are as follows:

S. No.	Name of the material subsidiary	Details of the certificate of incorporation	Corporate identity number
i.	SPL	Certificate of incorporation dated October 6, 2017, issued by the RoC	U51909DL2017PTC324616
ii.	PPL	Certificate of incorporation dated December 11, 2008, issued by the RoC	U24232DL2008PLC185686
iii.	MNL	Certificate of incorporation dated February 10, 1994, issued by the RoC	U74899DL1994PLC057323
iv.	PCHL	Certificate of incorporation dated September 13, 2005, issued by the RoC	U24232DL2005PTC266385
v.	MLPL	Certificate of incorporation dated February 5, 2004, issued by the RoC	U63021DL2004PTC299408
vi.	NHL	Certificate of incorporation dated January 20, 2009, issued by the RoC	U24232DL2009PLC186841
vii.	AHL	Certificate of incorporation dated July 29, 2010, issued by the RoC	U72900DL2010PLC206414
viii.	AHCL	Certificate of incorporation dated December 29, 2020, issued by the RoC	U24304DL2020PLC375098

(2) *Material Approvals in relation to the business operations of our material subsidiaries*

The Material Approvals in relation to the business operations of our material subsidiaries are provided below:

a. License to work a factory under the Factories Act, 1948 and state specific rules made thereunder, issued by the relevant departments of relevant states.

b. Consent to establish under the Water (Prevention & Control of Pollution) Act, 1974, and the Air (Prevention & Control of Pollution) Act, 1981, issued by the relevant state Pollution Control Board.

c. Consent to operate under the Water (Prevention & Control of Pollution) Act, 1974 and Air (Prevention & Control of Pollution) Act, 1981, and the rules and orders made thereunder, issued by the relevant state Pollution Control Board. The consent to operate under the Water (Prevention & Control of Pollution) Act, 1974 and Air (Prevention & Control of Pollution) Act, 1981, issued to the facility of PCHL situated at Dera Bassi, Punjab is conditional and includes conditions like requirement to carryout environmental audit study report for the area inside and outside the premises of the concerned facility, permission from the Punjab Water Regulation and Development Authority to abstract ground water, to ensure that activities of the facility do not cause any nuisance in the surrounding areas etc. For more details, see "*Risk Factors - Legal and Regulatory Risks - The API manufacturing unit of our Subsidiary, Pure and Cure Healthcare Private Limited, has been subject to regulatory actions by the Punjab Pollution Control Board in relation to non-compliance with conditions stipulated in the environmental approvals granted*"" and *"Outstanding Litigation and Material Developments – Litigation against our Subsidiaries – Actions taken by Regulatory and Statutory Authorities*" on page 44 and 365.

d. Authorization under the Hazardous & Other Wastes (Management & Transboundary Movement) Rules, 2016 issued by the relevant state Pollution Control Board. The authorisation under the Hazardous & Other Wastes (Management & Transboundary Movement) Rules, 2016 issued to the facility of PCHL situated at Dera Bassi, Punjab is conditional and includes conditions such as no generation of hazardous waste other than the category applied under and disposing of waste in an authorised manner. For more details, see "*Risk Factors-Legal and Regulatory Risks-The API manufacturing unit of our Subsidiary, Pure and Cure Healthcare Private Limited, has been subject to regulatory actions by the Punjab Pollution Control Board in relation to non-compliance with conditions stipulated in the environmental approvals granted*" and *"Outstanding Litigation and Material Developments-Litigation against our Subsidiaries-Actions taken by Regulatory and Statutory Authorities*" on page 44 and 365.

e. Authorisation to import and store petroleum under the Petroleum Act, 1934, and the rules framed thereunder, each as amended.

f. License for manufacture for sale or distribution of drugs and license to sell, stock, exhibit or offer for sale, or distribute as wholesale drugsunder the Drugs and Cosmetics Act, 1940 and Drugs and Cosmetics Rules, 1945 , each as amended.

g. Authorisations under the Food Safety and Standards Act, 2006.

h. Authorisation under the Indian Boilers Act, 1934, and the rules thereunder, each as amended.

i. Authorisation under the Legal Metrology Act, 2009 and Legal Metrology (Packaged Commodities) Rules, 2011, each as amended.

j. Licenses under the Narcotic Drugs and Psychotropic Substances Act, 1985, as amended.

k. Approval of electricity installation under the Central Electricity Authority (Measures relating to safety and Electric Supply) Regulations, 2010.

l. No objection certificate from the relevant state fire departments to undertake and continue operations of our material subsidiaries.

m. Authorisation from relevant state department of water resources for abstraction of groundwater.

n. Authorisation under the Bio Medical Waste (Management and Handling Rules), 2016, as amended.

o. Registrations under the respective Shops and Establishment Acts of states, where our material subsidiaries operate

(3) *Trade related approvals*

a. All our material subsidiaries have importer exporter code from the Office of Joint Directorate General of Foreign Trade, Ministry of Commerce, Government of India.

(4) *Tax related registrations*

Our material subsidiaries have also obtained the requisite approvals and registrations to conduct their business activities from the appropriate regulatory and governing authorities in the respective jurisdictions in which they operate, such as, tax deduction account number and permanent account number. Our material subsidiaries have also obtained registrations under various central and state specific tax laws including goods and service tax acts, and professional tax laws in the states where our business operations are located, and such registrations are required.

(5) *Material labour and employment related approvals*

Our material subsidiaries have also obtained registrations under various employee and labour related laws including the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Employees State Insurance Act, 1948, Payment of Gratuity Act, 1972 and registration under the Contract Labour (Regulation and Abolition) Act, 1970.

IV. Material Approvals or renewals applied for but not received

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, there are no material approvals or renewals which our Company or material subsidiaries have applied for, but which have not been received:

A. Applications filed by our Company

a. Renewal application dated April 7, 2023 filed by our Company with the Central Ground Water Authority for issue of no objection certificate to abstract ground water for facility at 2,3,4,5, Sector 6B, Sidcul, Haridwar

b. Renewal application dated March 22, 2023 filed by our Company with the Central Ground Water Authority for issue of no objection certificate to abstract ground water for facility at 47 and 48, Sidcul, Haridwar, Uttarakhand.

B. Applications filed by PCHL

a. Renewal application dated November 23, 2023 filed by PCHL for its facility at Baddi 1, Himachal Pradesh under the Hazardous & Other Wastes (Management & Transboundary Movement) Rules, 2016.

b. Renewal application dated April 15, 2023 filed by PCHL with the Central Ground Water Authority for issue of no objection certificate to abstract ground water for facility at Haridwar, Uttarakhand.

c. Renewal application dated December 6, 2023 filed by PCHL with the Punjab Water Regulation and Development Authority for issue of no objection certificate to abstract ground water for facility at Lalru, Punjab.

d. Renewal application dated December 5, 2023 filed by PCHL with the Punjab Water Regulation and Development Authority for issue of no objection certificate to abstract ground water for facility at Dera Bassi, Punjab.

e. Application dated December 27, 2023 filed by PCHL with the Haryana State Pollution Control Board for consent to establish under the Water (Prevention & Control of Pollution) Act, 1974, and the Air (Prevention & Control of Pollution) Act, 1981 for facility at Barwala, Haryana

C. Applications filed by AHCL

a. Renewal application dated December 7, 2023 filed by AHCL under the Central Ground Water Authority for issue of no objection certificate to abstract ground water for facility at Kotdwar, Uttarakhand.

IV. Material Approvals expired and not applied for renewal

As on the date of this Draft Red Herring Prospectus, there are no Material Approvals of our Company or its material subsidiaries that have expired, and for which renewal is yet to be applied for.

V. Material Approvals required but not applied for

Except as disclosed before, as on the date of this Draft Red Herring Prospectus, there are no Material Approvals of our Company or its material subsidiaries that are required but have not been applied for:

Our material subsidiary, PCHL, is in the process of applying for authorisation under the Bio Medical Waste (Management and Handling Rules), 2016 ("**BMW Application**") for its facilities at Dera Bassi, Punjab and Lalru, Punjab. Due to technical issues resulting from the change in the name of ALL to PCHL on account of ALL's merger with PCHL, PCHL has been unable to upload the BMW Application on the Invest Punjab (Business First Single Window) portal. Through a letter dated February 2, 2024, addressed to the Punjab Pollution Control Board, PCHL has sought permission to apply for authorisation directly through the portal of Punjab Pollution Control Board.

VI. Intellectual Property

As on the date of this Draft Red Herring Prospectus, the following is the status of intellectual property pertaining to our Company and its Subsidiaries:

Trademarks

As on the date of this Draft Red Herring Prospectus, our Company has 1,206 registered trademarks. Further, as on the date of this Draft Red Herring Prospectus, our Company has applied for 545 trademarks which are pending at various stages.

As on the date of this Draft Red Herring Prospectus, our Subsidiaries have 185 registered trademarks. Further, as on the date of this Draft Red Herring Prospectus, our Subsidiaries have applied for 29 trademarks which are pending at various stages.

Patents

As on the date of this Draft Red Herring Prospectus, we have 5 registered patents and 123 patents pending at various stages in India.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer, including the Fresh Issue of up to ₹ 6,800 million, has been authorised by our Board pursuant to the resolutions passed at its meetings held on October 26, 2023 and February 7, 2024 and by our Shareholders pursuant to a special resolution passed at their extra-ordinary general meeting held on October 26, 2023. Further, our Board has taken on record the consent of each of the Selling Shareholders to severally and not jointly participate in the Offer for Sale pursuant to the resolutions dated January 17, 2024 and February 7, 2024. This Draft Red Herring Prospectus has been approved pursuant to a resolutions passed by the Board and IPO Committee, on February 7, 2024 and February 10, 2024, respectively.

Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement of up to 20% of the Fresh Issue or such other amount as may be allowed under applicable law for cash consideration aggregating up to ₹ 1,360 million, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs, and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the minimum Offer size (comprising the Fresh Issue so reduced by the amount raised from the Pre-IPO Placement, and the Offer for Sale) shall constitute 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.

Each of the Selling Shareholders has, severally and not jointly, specifically authorized the inclusion of its respective portion of the Offered Shares as part of the Offer for Sale, as follows:

Name of the Selling Shareholder	Maximum number of Equity Shares offered in the Offer for Sale	Date of corporate authorisation/ board resolution	Date of consent letter
Promoter Selling Shareholders			
Sanjeev Jain	2,145,965	N.A.	January 16, 2024
Sandeep Jain	2,145,965	N.A.	January 16, 2024
Investor Selling Shareholder			
Ruby QC Investment Holdings Pte. Ltd.	14,306,435	January 16, 2024	January 16, 2024

Each of the Selling Shareholders, severally and not jointly, confirms that its respective portion of the Offered Shares is eligible to be offered for sale in the Offer in accordance with Regulation 8 and Regulation 8A of the SEBI ICDR Regulations, to the extent applicable to it as on the date of this Draft Red Herring Prospectus.

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by SEBI or other Governmental Authorities

Our Company, Promoters, Directors, members of our Promoter Group, each of the Selling Shareholders, the persons in control of our Company (being our Promoters), are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Our Directors and Promoters are not directors or promoters of any company which is debarred from accessing capital markets by SEBI.

Our Company, Promoters and Directors have not been declared as Wilful Defaulters.

Our Company, Promoters and Directors have not been declared as a 'Fraudulent Borrower' in terms of the circular no. RBI/DBS/2016-17/28 dated July 1, 2016 issued by the Reserve Bank of India.

Our Promoters or Directors have not been declared as Fugitive Economic Offenders.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoters, members of our Promoter Group and the Selling Shareholders, severally and not jointly, are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable to each of them in relation to our Company, as on the date of this Draft Red Herring Prospectus.

Directors associated with the securities market

None of our Directors are, in any manner, associated with the securities market. No outstanding action has been initiated by SEBI against any of our Directors in the five years preceding the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(2) of the SEBI ICDR Regulations, which states as follows:

"*An issuer not satisfying the condition stipulated in sub-regulation (1) shall be eligible to make an initial public offer only if the issue is made through the book-building process and the issuer undertakes to allot at least seventy-five per cent of the net offer to qualified institutional buyers and to refund the full subscription money if it fails to do so.*"

We are an unlisted company that did not satisfy one of the conditions specified in Regulation 6(1) of the SEBI ICDR Regulations, i.e., our Company does not have an average operating profit of at least fifteen crore rupees and is therefore required to allot not less than 75% of the Net Issue to QIBs to meet the conditions as detailed under Regulation 6(2) of the SEBI ICDR Regulations. In the event we fail to do so, the full application monies shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations.

The status of compliance of our Company with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

(i) Our Company, Promoters, members of our Promoter Group, Directors and each of the Selling Shareholders are not debarred from accessing the capital markets by SEBI;

(ii) The companies with which our Promoters or Directors are associated as a promoter or director are not debarred from accessing the capital markets by SEBI;

(iii) Neither our Company, nor our Promoters or Directors is a Wilful Defaulter or Fraudulent Borrower;

(iv) None of our Promoters or Directors have been declared as a Fugitive Economic Offender;

(v) Except for the allotment of Equity Shares (a) to the ESOP Trust and (b) upon exercise of options vested pursuant to the ESOP 2022 and allotment of Equity Shares pursuant to the Pre-IPO placement, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into, or which would entitle any person any option to receive Equity Shares as on the date of this Draft Red Herring Prospectus;

(vi) Our Company along with Registrar to the Offer has entered into tripartite agreements dated July 18, 2019 and January 31, 2024 with NSDL and CDSL, respectively, for dematerialisation of the Equity Shares.

(vii) All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus; and

(viii) There is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance.

Our Company confirms that it is also in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

We are eligible to undertake the Offer as per Rule 19(2)(b) of the SCRR read with Regulations 6(2) of the SEBI ICDR Regulations. Accordingly, in accordance with Regulation 32(1) of the SEBI ICDR Regulations we are required to allot not less than 75% of the Net Offer to QIBs, 5% of which shall be allocated to Mutual Funds exclusively. Further, not more than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two third of such portion shall be reserved for applicants with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders and not more than 10% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. In the event we fail to do so, the full application money shall be refunded to the Bidders.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000 and should our Company fail to do so, the Bid Amounts received by our Company shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations and applicable law.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY

RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE 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, BEING ICICI SECURITIES LIMITED, AXIS CAPITAL LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED AND AMBIT PRIVATE LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. 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 IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS AND THE SELLING SHAREHOLDERS SEVERALLY AND NOT JOINTLY WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY THEM IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO THEMSELVES FOR THE OFFERED SHARES, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 10, 2024, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V (FORM A) OF THE SEBI ICDR REGULATIONS.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to the 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 and at the time of filing of the Prospectus with the Registrar of Companies in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act, 2013.

Disclaimer from our Company, the Directors, the Selling Shareholders and the Book Running Lead Managers

Our Company, each of the Selling Shareholders, our Directors and the Book Running Lead Managers accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.akums.in, or the respective websites of any affiliate of our Company would be doing so at his or her own risk. It is clarified that none of the Selling Shareholders, nor their respective directors, affiliates, associates and officers, accept and/or undertake any responsibility for any statements made or undertakings provided other than those made or undertaken by such Selling Shareholder in relation to itself and its respective portion of the Offered Shares.

The Book Running Lead Managers accept no responsibility, save to the limited extent as provided in the Offer Agreement, and as will be provided for in the Underwriting Agreement.

All information shall be made available by our Company, each of the Selling Shareholders, severally and not jointly (to the extent the information pertains to such Selling Shareholder and their respective portion of Offered Shares) and the Book Running Lead Managers to the Bidders and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, each of the Selling Shareholders, 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 will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any 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 the Equity Shares.

The Book Running Lead Managers and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, its Subsidiaries, the Selling Shareholders, their respective affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, its Subsidiaries, the Selling Shareholders, their respective group companies affiliates or associates or third parties, for which they have received, and may in the future receive, compensation. As used herein, the term 'affiliate' means any person or entity that controls or is controlled by or is under common control with another person or entity.

Disclaimer in respect of Jurisdiction

The Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, as amended, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, 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, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs and AIFs that they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction 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.

Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India.

No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

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 offer or sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or the Selling Shareholders since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Eligibility and Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) outside the United States in offshore transactions as defined in and in compliance with Regulation S and the applicable laws of the jurisdictions where those offers and sales are made, and (b) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) pursuant to Section 4(a) of the U.S. 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.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus will be submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus will be submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Listing

The Equity Shares offered through the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within three Working Days from the Bid/ Offer Closing Date or such period as may be prescribed by SEBI. Each of the Selling Shareholders, severally and not jointly, confirms that it shall extend reasonable support and co-operation (to the extent of its portion of the Offered Shares) as required by law for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares on the Stock Exchanges within three Working Days from the Bid/Offer Closing Date, or within such other period as may be prescribed.

If our Company does not allot Equity Shares pursuant to the Offer within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period in accordance with applicable law.

Consents

Consents in writing of each of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, Legal Counsel to our Company as to Indian law, Bankers to our Company, the Book Running Lead Managers, Registrar to the Offer, Independent Chartered Accountant, F&S, independent chartered engineer, intellectual property consultant, in their respective capacities, have been obtained, and such consents have not been withdrawn as of the date of this Draft Red Herring Prospectus. Further, consents in writing of the Syndicate Members, Escrow Collection Bank(s)/Refund Bank(s)/ Public Offer Account/ Sponsor Banks, Monitoring Agency, to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for filing with the RoC.

Experts to the Offer

Our Company has received written consent dated February 10, 2024 from Walker Chandiok & Co LLP, Chartered Accountants, to include their name as required under the SEBI ICDR Regulations in this Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013, to the extent and in their capacity as our Statutory Auditors and in respect of their (i) examination report dated January 17, 2024 on our Restated Consolidated Financial Information; and (ii) report dated February 7, 2024 on the Statement of Special Tax Benefits for the Company, its shareholders and the Material Subsidiaries. However, the term “expert” and “consent” shall not be construed to mean an “expert” and “consent” as defined under the U.S. Securities Act.

Our Company has received written consent dated February 10, 2024 from T A M S & CO LLP, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name in this Draft Red Herring Prospectus, as an ‘expert’ as defined under Section 2(38) of Companies Act, 2013 in respect of the (i) certificates issued by them in their capacity as an independent chartered accountant to our Company.

Our Company has received written consent dated February 10, 2024 from Er. S. C. Aggarwal, an independent chartered engineer to include their name as required under the SEBI ICDR Regulations in this Draft Red Herring Prospectus, and as an “expert”, as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as an independent chartered engineer in relation to the certificate dated February 10, 2024, certifying, *inter alia*, the details of the installed and production capacity of our manufacturing facilities.

Our Company has received written consent dated February 10, 2024 from Chadha & Chadha, an intellectual property consultant, to include their name as required under the SEBI ICDR Regulations in this Draft Red Herring Prospectus, and as an “expert”, as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as an intellectual property consultant, in relation to the certificate dated February 10, 2024, certifying, *inter alia*, the details of the trademarks, patents and other intellectual property of our Company and its Subsidiaries.

Such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus. It is clarified, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not undertaken any rights issue (as defined under the SEBI ICDR Regulations) in the five years preceding the date of this Draft Red Herring Prospectus.

Further, our Company has not undertaken any public issue in the last five years preceding the date of this Draft Red Herring Prospectus.

Capital issue during the preceding three years by our Company, listed group companies/ subsidiaries/ associates

Other than as disclosed in "*Capital Structure – Notes to the Capital Structure – Share capital history of our Company*" on page 72 and as applicable, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

As on the date of this Draft Red Herring Prospectus, our Company does not have any associates. None of our Subsidiaries or Group Companies are listed on any stock exchange.

Stock market data of the Equity Shares

This being the initial public offering of the Equity Shares 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.

Commission or brokerage on previous issues in the last five years

Since this is the initial public offering of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for the Equity Shares in the last five years.

Performance vis-à-vis objects – Public/ rights issue of our Company during the last five years

Our Company has not undertaken any public issue or rights issue (as defined in SEBI ICDR Regulations) in the five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public/ rights issue of the listed subsidiaries/ listed promoter of our Company

As on the date of this Draft Red Herring Prospectus, none of our Subsidiaries are listed on any stock exchange. Further, our Company does not have a corporate promoter.

Price information of past issues handled by the Book Running Lead Managers (during the current Financial Year and two Financial Years preceding the current Financial Year)

1. ***I-Sec***

Price information of past issues handled by I-Sec

Sr. No.	Issue Name	Issue Size (Rs. Mn.)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Fedbank Financial Services Limited^^	10,922.64	140.00 (1)	30-Nov-23	138.00	-2.75% [+7.94%]	NA*	NA*
2	India Shelter Finance Corporation Limited^^	12,000.00	493.00	20-Dec-23	620.00	+17.64% [+1.48%]	NA*	NA*
3	DOMS Industries Limited^	12,000.00	790.00(2)	20-Dec-23	1,400.00	+80.59% [+0.97%]	NA*	NA*
4	Inox India Limited^	14,593.23	660.00	21-Dec-23	933.15	+32.01% [+1.15%]	NA*	NA*
5	Muthoot Microfin Limited^	9,600.00	291.00(3)	26-Dec-23	278.00	-20.77% [-0.39%]	NA*	NA*
6	Credo Brands Marketing Limited^	5,497.79	280.00	27-Dec-23	282.00	-9.89% [-1.86%]	NA*	NA*
7	Azad Engineering Limited^	7,400.00	524.00	28-Dec-23	710.00	+29.06% [-2.36%]	NA*	NA*
8	Innova Captab Limited^^	5,700.00	448.00	29-Dec-23	452.10	+15.16% [-1.74%]	NA*	NA*
9	Jyoti CNC Automation Limited^^	10,000.00	331.00(4)	16-Jan-24	370.00	NA*	NA*	NA*
10	EPACK Durable Limited^	6,400.53	230.00	30-Jan-24	225.00	NA*	NA*	NA*

**Data not available*
^BSE as designated stock exchange
^^NSE as designated stock exchange

(1) Discount of Rs. 10 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 140.00 per equity share.
(2) Discount of Rs. 75 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 790.00 per equity share.
(3) Discount of Rs. 14 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 291.00 per equity share.
(4) Discount of Rs. 15 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 331.00 per equity share

Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Isec:

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			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%
2023-24*	22	2,09,259.46	-	-	3	4	**7**	6	-	-	-	2	-	-
2022-23	9	2,95,341.82	-	1	3	-	3	2	-	1	1	-	5	2
2021-22	26	7,43,520.19	-	3	6	6	4	7	3	4	5	5	4	5

** This data covers issues up to YTD*

Notes:

1. *Data is sourced either from www.nseindia.com or www.bseindia.com, as per the designated stock exchange disclosed by the respective Issuer Company.*
2. *Similarly, benchmark index considered is "NIFTY 50" where NSE is the designated stock exchange and "S&P BSE SENSEX" where BSE is the designated stock exchange, as disclosed by the respective Issuer Company.*
3. *30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the previous trading day*

2. Axis

Price information of past issues handled by Axis:

Sr. No.	Issue name	Issue size (₹ millions)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	EPACK Durable Limited(1)	6,400.53	230.00	30-Jan-24	225.00	-	-	-
2	Medi Assist Healthcare Services Limited(1)	11,715.77	418.00	23-Jan-24	465.00	-	-	-
3	Azad Engineering Limited(1)	7,400.00	524.00	28-Dec-23	710.00	+29.06%, [-2.36%]	-	-
4	Happy Forgings Limited(2)	10,085.93	850.00	27-Dec-23	1,000.00	+14.06%, [-1.40%]	-	-
5	Muthoot Microfin Limited*(1)	9,600.00	291.00	26-Dec-23	278.00	-20.77%, [-0.39%]	-	-
6	Inox India Limited(1)	14,593.23	660.00	21-Dec-23	933.15	+32.01%, [+1.15%]	-	-
7	Flair Writing Industries Limited(2)	5,930.00	304.00	01-Dec-23	501.00	+14.69%, [+7.22%]	-	-
8	ASK Automotive Limited(2)	8,339.13	282.00	15-Nov-23	303.30	+2.73%, [+7.66%]	-	-
9	JSW Infrastructure Limited(1)	28,000.00	119.00	03-Oct-23	143.00	+41.34%, [-2.93%]	+75.04%, [+10.27%]	-
10	Signature Global (India) Limited(2)	7,300.00	385.00	27-Sep-23	444.00	+35.79%, [-4.36%]	+112.43%, [+8.28%]	-

Source: www.nseindia.com and www.bseindia.com

(1)BSE as Designated Stock Exchange
(2)NSE as Designated Stock Exchange
** Offer Price was ₹ 277.00 per equity share to Eligible Employees*
Notes:

a. Issue Size derived from Prospectus/final post issue reports, as available.
b. The CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.
c. Price on NSE or BSE is considered for all of the above calculations as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.
d. In case 30th/90th/180th day is not a trading day, closing price of the previous trading day has been considered.
e. Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Axis:

Financial Year	Total no. of IPOs	Total funds raised (₹ in Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than	Over 50%	Between 25%-50%	Less than	Over 50%	Between 25%-50%	Less than	Over 50%	Between 25%-50%	Less than

					25%			25%			25%			25%
2023-2024*	15	197,238.24	-	-	1	2	6	4	-	-	-	3	-	-
2022-2023	11	279,285.39	-	1	6	-	2	2	-	2	5	-	3	1
2021-2022	25	609,514.77	-	2	6	6	5	6	3	4	3	5	3	7

** 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 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

3. Citi

Price information of past issues handled by Citi:

Sr. No.	Issue Name	Issue Size (₹ million)	Issue Price (₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	India Shelter Finance Corporation Ltd	12,000.00	493.00	December 20, 2023	620.00	+17.74% [+0.97%]	NA	NA
2.	Tata Technologies Limited	30,425.14	500.00	November 30, 2023	1,199.95	+136.09% [+7.84%]	NA	NA
3.	Honasa Consumer Limited	17,014.40	324.00	November 7, 2023	330.00	+17.58% [+7.89%]	34.61% [+12.61%]	NA
4.	R R Kabel Limited	19,640.10	1,035.00	September 20, 2023	1,179.00	+34.45% [-1.75%]	+64.83% [+6.94%]	NA
5.	Concord Biotech Limited	15,505.21	741.00	August 18, 2023	900.05	+36.82% [+4.57%]	+83.91% [+1.89%]	NA
6.	Delhivery Limited	52,350.0	487.00	May 24, 2022	495.20	+3.49% [-4.41%]	+17.00% [+10.13%]	-27.99% [+13.53%]
7.	Life Insurance Corporation of India	205,572.3	949.00	May 17, 2022	872.00	-27.2% [-3.3%]	-28.1% [+9.5%]	-33.8%[+13.8%]
8.	Star Health and Allied Insurance Company Limited	64,004.39	900.00	December 10, 2021	845.00	-14.78%[+1.96%]	-29.79%[-6.66%]	-22.21%[-6.25%]
9.	One 97 Communications Limited	183,000.00	2,150.00	November 18, 2021	1,955.00	-38.5%[-4.4%]	-60.40%[-2.5%]	-72.5%[-11.2%]
10.	PB Fintech Limited	57,097.15	980.00	November 15, 2021	1,150.00	14.86%[-4.17%]	-20.52%[-4.06%]	-33.86%[-12.85%]

Notes:
1. Benchmark index basis designated stock exchange.
2. % of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs. Issue Price. % change in closing benchmark index is calculated based on closing index on listing day vs. closing index on 30th / 90th / 180th calendar day from listing day.
3.30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case closing price on designated stock exchange of a trading day immediately prior to the 30th / 90th / 180th day, is considered.
4. Limited to past 10 issues

Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Citi:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹mn.)	No. of IPOs trading at discount – 30th calendar days from listing			No. of IPOs trading at premium – 30th calendar days from listing			No. of IPOs trading at discount – 180th calendar days from listing			No. of IPOs trading at premium – 180th calendar days from listing		
			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%
2023-24	5	94,584.85	-	-	-	1	2	2	-	-	-	-	-	-
2022-23	2	257,922.30	-	1	-	-	-	1	-	2	-	-	-	-

Financial Year	Total no. of IPOs	Total amount of funds raised (₹mn.)	No. of IPOs trading at discount – 30th calendar days from listing			No. of IPOs trading at premium – 30th calendar days from listing			No. of IPOs trading at discount – 180th calendar days from listing			No. of IPOs trading at premium – 180th calendar days from listing		
			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%
2021-22	8	5,36,816.99	-	1	4	2	-	1	2	2	1	1	1	1

Source: www.nseindia.com
Notes:

1. *The information is as on the date of the document.*
2. *The information for each of the Financial Years is based on issues listed during such Financial Year.*
3. *Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.*

4. *Ambit*

Price information of past issues handled by Ambit:

S.No	Issue Name	Issue Size (in INR Mn)	Issue price (INR)	Listing Date	Opening price on listing date (INR)	% change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	% change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	% change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	India Shelter Finance Corporation Limited[2]	12,000.00	493	20-Dec-23	620.00	+17.64%, [+1.48%]	NA	NA
2	Yatharth Hospital & Trauma Care Services Limited[1]	6,865.51	300	07-Aug-23	304.00	+23.30, [-0.26%]	+20.58%, [-2.41%]	+26.23%, [+9.30%]
3	Senco Gold Limited[2]	4,050.00	317	14-Jul-23	430.00	+25.28, [-0.70%]	+105.32%, [+1.26%]	130.13%, [+10.12%]
4	Metro Brands[1]	13,675.05	500	22-Dec-21	436.00	+21.77%, [+4.45%]	+14.57%, [+0.64%]	+7.93%, [-9.78%]
5	Star Health and Allied Insurance Company Limited[2]	60,186.84	900	10-Dec-21	845.00	-14.78%, [+1.72%]	-29.79%, [-6.66%]	-22.21%, [-6.25%]
6	Ami Organics Limited[1]	5,696.36	610.00	14-Sep-21	902.00	+116.86%, [+4.27%]	+63.94%,[+0.93%]	+47.34%, [-4.63%]
7	Chemplast Sanmar Limited[2]	38,500.00	541.00	24-Aug-21	550.00	+2.06%, [+5.55%]	+12.68%, [+6.86%]	-3.30%, [+3.92%]

Source: www.nseindia.com and www.bseindia.com
(1)BSE as Designated Stock Exchange
(2)NSE as Designated Stock Exchange
Notes:
a. *Issue Size derived from Prospectus/final post issue reports, as available.*

b. *The CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable*
c. *Price on NSE or BSE is considered for all of the above calculations as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.*
d. *In case 30th/90th/180th day is not a trading day, closing price of the previous trading day has been considered.*
e. *Since 90/180 calendar days from listing date has not elapsed for the above issue, data for same is not available.*

Summary statement of disclosure Price information of past issues during current financial year and two financial years preceding the current financial year handled by Ambit:

FY	Total no. of issues	Total amount of funds raised (INR Mn)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			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%
2023-24*	3	22,915.51	-	-	-	-	1	2	-	-	-	1	1	-
2022-23	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021-22	4	1,18,058.25	-	-	1	1	-	2	-	-	2	-	1	1

** The information is as on the date of the document*
Note: Since 180 calendar days from listing date has not elapsed for the certain issues, data for same is not available.

Track record of past issues handled by the Book Running Lead Managers

For details regarding the track record of the Book Running Lead Managers, as specified in circular bearing number CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the Book Running Lead Managers, as provided in the table below:

S. No.	Name of the Book Running Lead Manager	Website
1.	ICICI Securities Limited	www.icicisecurities.com
2.	Axis Capital Limited	www.axiscapital.co.in
3.	Citigroup Global Markets India Private Limited	www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm
4.	Ambit Private Limited	www.ambit.co

Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for redressal

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares to enable the Bidders to approach the Registrar to the Offer for redressal of their grievances.

All grievances, other than of Anchor Investors may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, giving full details such as name of the sole or First Bidder, ASBA 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 or the UPI ID (for UPI Bidders who make the payment of Bid Amount through the UPI Mechanism), date of ASBA Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the Book Running Lead Managers where the Bid cum Application Form was submitted by the Anchor Investor.

In case of any delay in unblocking of amounts in the ASBA Accounts exceeding four Working Days from the Bid / Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount or the entire duration of delay exceeding two Working Days from the Bid / Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

In terms of SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular bearing number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and amended by the SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, in terms of SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

The following compensation mechanism has become applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the

Scenario	Compensation amount	Compensation period
		Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount and 2. ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and 2. ₹ 100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted / partially Allotted applications	₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the Book Running Lead Managers shall be liable to compensate the investor ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

Our Company, the Selling Shareholders and the Book Running Lead Managers 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 ICDR Regulations. In terms of SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

For helpline details of the Book Running Lead Managers pursuant to the SEBI circular bearing number SEBI/HO/CFD/DIL-2/OW/P/2021/2481/1/M dated March 16, 2021, see "*General Information – Book Running Lead Managers*" on page 66.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

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. The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Selling Shareholders, the Book Running Lead Managers 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 the SEBI ICDR Regulations. Bidders can contact our Company Secretary and Compliance officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be [7 Working Days] from the date of receipt of the complaint, provided however, in relation to complaints pertaining to blocking/unblocking of funds, investor complaints shall be resolved on the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible. Each of the Selling Shareholders, specifically, severally and not jointly, has authorised our Compliance Officer and the Registrar to the Offer to redress any complaints received from Bidders in respect of its respective portion of the Offered Shares.

Our Company has also appointed Dharamvir Malik, Company Secretary of our Company, as the Compliance Officer for the Offer. For further details, see "*General Information*" on page 65.

Our Company has constituted a Stakeholders' Relationship Committee comprising Sanjeev Jain, Sandeep Jain, Kewal Kundanlal Handa, Nand Lal Kalra and Satwinder Singh, as its members which is responsible for redressal of grievances of security holders of our Company. For further details on the Stakeholders' Relationship Committee, see "*Our Management – Committees of the Board – Stakeholders' Relationship Committee*" on page 229.

Our Company shall obtain authentication on the SCORES in terms of the SEBI circular bearing number CIR/OIAE/1/2013 dated April 17, 2013 read with SEBI circular bearing number SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 and shall comply with SEBI circular bearing number CIR/OIAE/1/2014 dated December 18, 2014 and SEBI Circular SEBI/HO/OIAE/IGRD/P/CIR/2022/0150 dated November 7, 2022 in relation to redressal of investor grievances through SCORES.

Our Company has not received any investor grievances in the last three Financial Years prior to the filing of this Draft Red Herring Prospectus. As on the date of this Draft Red Herring Prospectus there are no outstanding investor grievances.

Our Company does not have any listed group companies or listed subsidiaries.

Exemption from complying with any provisions of SEBI ICDR Regulations

Our Company has not made any application under Regulation 300(2) of the SEBI ICDR Regulations for seeking exemption from strict compliance with any provisions of securities laws, as on the date of this Draft Red Herring Prospectus.

Other confirmations

No person connected with the Offer shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the Offer, except for fees or commission for services rendered in relation to the Offer.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered and Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the MoA, AoA, SEBI Listing Regulations, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, the Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in other documents/ certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital, offer for sale and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other governmental, statutory or regulatory authorities while granting its approval for the Offer, to the extent and for such time as these continue to be applicable.

The Offer

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders. For details in relation to the sharing of Offer expenses, see "*Objects of the Offer*" on page 89.

Ranking of Equity Shares

The Equity Shares being offered and Allotted/ transferred in the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, our MoA and AoA, and shall rank *pari passu* with the existing Equity Shares in all respects including dividends. The Allottees upon Allotment of Equity Shares under the Offer will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. There are no outstanding equity shares of the Company having superior voting rights compared to the Equity Shares. For further details, see "*Description of Equity Shares and Terms of the Articles of Association*" on page 434.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, our Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted or transferred Equity Shares pursuant to the Offer, for the entire year, in accordance with applicable laws. For further details in relation to dividends, see "*Dividend Policy*" and "*Description of Equity Shares and Terms of the Articles of Association*" on pages 243 and 434, respectively.

Face Value, Offer Price and Price Band

The face value of each Equity Share is ₹2. The Floor Price is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share, being the Price Band. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company, in consultation with the Book Running Lead Managers and shall be advertised in all editions of [●], an English national daily newspaper, all editions of [●] and a Hindi national daily newspaper (Hindi also being the regional language of Delhi, where our Registered Office is located), at least two Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their 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 on the websites of the Stock Exchanges. The Offer Price shall be determined by our Company, in consultation with the Book Running Lead Managers after the Bid/ Offer Closing Date.

At any given point of time there shall be only one denomination of Equity Shares, unless otherwise permitted by law.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

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

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;

- Right to vote on a poll either in person or by proxy or 'e-voting', in accordance with the provisions of the Companies Act;

- Right to receive offers for rights shares and be allotted bonus shares, if announced;

- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;

- Right of free transferability of their Equity Shares, subject to applicable laws including any RBI rules and regulations; and

- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations and our Articles of Association.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission, consolidation or sub-division, see "*Description of Equity Shares and Terms of the Articles of Association*" on page 434.

Allotment only in Dematerialised Form

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form (i.e. not in the form of physical certificates and be represented by the statement issued through the electronic mode). As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite agreement dated January 31, 2024 amongst our Company, CDSL and the Registrar to the Offer; and

- Tripartite agreement dated July 18, 2019, between our Company, NSDL and the Registrar to the Offer.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in dematerialised and electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares. For further details on the Basis of Allotment, see "***Offer Procedure***" on page 415.

Jurisdiction

The courts of Mumbai, India will have exclusive jurisdiction in relation to this Offer.

Joint Holders

Subject to the provisions contained in our Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Nomination facility to Bidders

In accordance with Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is modified or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer or alienation of Equity Share(s) by the person nominating. A nomination may be cancelled or modified by nominating any other person in place of the present nominee, by the holder of the Equity Shares who made the nomination, by giving a notice of such cancellation or variation to our Company. 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 to the registrar and transfer agent of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by our Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

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, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised mode there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change their nomination, they are requested to inform their respective Depository Participant.

Withdrawal of the Offer

Our Company, in consultation with the Book Running Lead Managers reserves the right not to proceed with the Fresh Issue, and the Selling Shareholders, severally and not jointly, reserve the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of their respective Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Book Running Lead Managers, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Banks (in case of UPI Bidders using the UPI Mechanism), to unblock the bank accounts of the ASBA Bidders and the Escrow Collection Bank to release the Bid Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed. In terms of the UPI Circulars, in relation to the Offer, the Book Running Lead Managers will submit reports of compliance with the applicable listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it. Further, in case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding two Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company, in consultation with the Book Running Lead Managers, withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with a public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

Bid/ Offer Programme

BID/ OFFER OPENS ON	**[●]**[(1)]
BID/ OFFER CLOSES ON	**[●]**[(2)]

[(1)] *Our Company, in consultation with the Book Running Lead Managers, may consider participation by Anchor Investors. The Anchor Investor Bid/ Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date in accordance with the SEBI ICDR Regulations.*

[(2)] *Our Company, in consultation with the Book Running Lead Managers, may consider closing the Bid/ Offer Period for QIBs one day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.*

[(3)] *UPI mandate end time and date shall be at 5:00 pm on Bid/Offer Closing Date, i.e. [●].*

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	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about [●]
Credit of Equity Shares to dematerialised accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

* *In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/ Offer Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding two Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Bid/ Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The Book Running Lead Managers shall in their sole discretion, identify and fix liability on such intermediary or entity responsible for such delay in unblocking The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of our Company with the SCSBs, to the extent applicable. The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no.*

SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

The above timetable is indicative and does not constitute any obligation or liability on our Company or the Selling Shareholders or the Book Running Lead Managers.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within such time as prescribed by SEBI, the timetable may be subject to change due to various factors, such as extension of the Bid/ Offer Period by our Company, in consultation with the Book Running Lead Managers, revision of the Price Band or delay in receipt of final certificates from SCSBs, etc resulting in delay 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.

In terms of the UPI Circulars, in relation to the Offer, the Book Running Lead Managers will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within such time as prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the listing timelines. Further, the offer procedure is subject to change to any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Bid/ Offer Period (except the Bid/ Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. Indian Standard Time ("**IST**")
Bid/ Offer Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

**UPI mandate end time and date shall be at 5:00 pm on [●]*

On the Bid/ Offer Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs and Eligible Employees bidding in the Employee Reservation Portion.

On Bid/ Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received from the RIBs and Eligible Employees bidding in the Employee Reservation Portion, after taking into account the total number of Bids received and as reported by the Book Running Lead Managers to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/ Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the Book Running Lead Managers and the RTA on a daily basis, as per the format prescribed in SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/ Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/ Offer Closing Date and in any case no later than 1:00 p.m. IST on the Bid/ Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids and any revision in Bids will be accepted only during Monday to Friday (excluding any public/ bank holiday). Investors may 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 public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing. None of our Company, each of the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software or hardware system or otherwise or blocking of application amount by SCSBs on receipt of instructions from the Sponsor Banks due to any errors, omissions, or otherwise non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in the UPI Mechanism.

In case of any 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 shall be taken as the final data for the purpose of Allotment.

Our Company, 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 ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly, but the Floor Price shall not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price. Provided that the Cap Price of the Price Band shall be at least 105% of the Floor Price.

In case of any revision to the Price Band, the Bid/ Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Banks, as applicable.

In case of discrepancy in data entered in the electronic book *vis-à-vis* data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

If our Company does not receive the minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR or the minimum subscription of 90% of the Fresh Issue on the Bid/ Offer Closing Date; or subscription level falls below aforesaid minimum subscription after the Bid/ Offer Closing Date due to withdrawal of Bids or technical rejections or any other reason; or in case of devolvement of Underwriting, aforesaid minimum subscription is not received within 60 days from the date of Bid/ Offer Closing Date or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares in the Offer, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI circular bearing no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay beyond four days after our Company becomes liable to pay the amount, our Company, and every Director of our Company, who are officers in default, shall pay interest at the rate of 15% per annum. It is clarified that each of the Selling Shareholders shall, severally and not jointly, be liable to refund money raised in the Offer together with any interest in delays in making refunds as per applicable law, only to the extent of its respective portion of Offered Shares. Notwithstanding the foregoing, no liability to make any payment of interest shall accrue on any Selling Shareholder and such interest shall be borne by our Company unless any delay of the payments to be made hereunder, or any delay in obtaining listing and/or trading approvals or any approvals in relation to the Offer is solely and directly attributable to an act or omission of such Selling Shareholder.

The requirement for minimum subscription is not applicable to the Offer for Sale. In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, the Allotment for the valid Bids will be made in the following order: (i) In the first instance towards subscription for 90% of the Fresh Issue; (ii) If there remain any balance valid Bids in the Offer, the Allotment for the balance valid Bids will be made: (a) first towards Equity Shares offered by the Selling Shareholders in such manner as specified in the Offer Agreement; and (b) and only then, towards the remaining Equity Shares in the Fresh Issue.

Undersubscription, if any, in any category except the QIB portion, would be met with spill-over from the other categories at the discretion of our Company, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange.

Further, 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 in compliance with Regulation 49(1) of SEBI ICDR Regulations failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Arrangements for Disposal of Odd Lots

Since the Equity Shares will be traded in dematerialised form only, and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Offer.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Offer Equity share capital of our Company, lock-in of the Promoters' minimum contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 72, and except as provided in our Articles of Association, there are no restrictions on transfer or transmission of Equity Shares and their consolidation or sub-division. For further details see "*Description of Equity Shares and Terms of the Articles of Association*" on page 434.

OFFER STRUCTURE

The Offer is of up to [●] Equity Shares of face value of ₹ 2 at an Offer Price of ₹ [●] per Equity Share for cash (including a share premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] million comprising a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 6,800 million and an Offer of Sale of up to 18,598,365 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders. The Offer may comprise an Employee Reservation Portion of up to [●] Equity Shares aggregating up to ₹[●] million. The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. The Offer and Net Offer will constitute [●]% of the post-Offer paid-up equity share capital of our Company.

Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement of up to 20% of the Fresh Issue or such other amount as may be allowed under applicable law for cash consideration aggregating up to ₹ 1,360 million, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs, and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the minimum Offer size (comprising the Fresh Issue so reduced by the amount raised from the Pre-IPO Placement, and the Offer for Sale) shall constitute 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.

The Offer is being made through the Book Building Process.

Particulars	Eligible Employees#	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/ allocation (2)	Up to [●] Equity Shares	Not less than [●] Equity Shares	Not more than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and RIBs	Not more than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer Size available for Allotment/ allocation	The Employee Reservation Portion shall constitute up to 5% of the post-Issue paid-up Equity Share capital of our Company.	Not less than 75% of the Net Offer shall be available for allocation to QIB Bidders. However, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion.	Not more than 15% of the Net Offer or Offer less allocation to QIB Bidders and RIBs shall be available for allocation out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two third of such portion shall be reserved for applicants with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders.	Not more than 10% of the Net Issue or the Net Issue less allocation to QIB Bidders and Non-Institutional Bidders
Basis of Allotment/ allocation if respective category is oversubscribed	Proportionate#; unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹200,000. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for a value exceeding ₹200,000, subject to total Allotment to an Eligible Employee not exceeding 500,000.	Proportionate as follows (excluding the Anchor Investor Portion): a) [●] Equity Shares shall be available for allocated on a proportionate basis to Mutual Funds only; and b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Up to 60% of the QIB Portion Equity Shares may be allocated on a discretionary basis to Anchor Investors of	The Equity Shares available for allocation to Bidders in the Non-Institutional Portion shall be subject to the following: (a) One-third of the Non-Institutional Portion shall be available for allocation to Bidders with an application size more than ₹200,000 upto ₹1.00 million; and (b) Two-thirds of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹1.00 million. Provided that the unsubscribed portion in either of these two sub-categories of Non-Institutional	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 details see, "***Offer Procedure***" on page 415.

Particulars	Eligible Employees#	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
		which one-third shall be available for allocation to domestic Mutual Funds only, subject to valid Bid received from domestic Mutual Funds at or above the Anchor Investor Allocation Price	Portion may be allocated to the Bidders in the other sub-category of Non-Institutional Portion in accordance with SEBI ICDR Regulations. The allotment to each Non-Institutional Bidder shall not be less than the Minimum NIB Bid Size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis, in accordance with SEBI ICDR Regulations.	
Minimum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 200,000	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 200,000	[●] Equity Shares.
Maximum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares, so that the maximum Bid Amount by each Eligible Employee in Eligible Employee Portion does not exceed ₹500,000, if any	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Offer (excluding the Anchor Investor Portion), subject to applicable limits, applicable to each Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Offer, (excluding the QIB Portion), subject to applicable limits, applicable to each Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000
Who can apply(3)	Eligible Employees such that the Bid Amount does not exceed ₹500,000	Public financial institutions as specified in Section 2(72) of the Companies Act, scheduled commercial banks, Mutual Funds, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250 million, pension funds with minimum corpus of ₹250 million, registered with the Pension Fund Regulatory and Development Authority established under subsection (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, National Investment Fund set up by the GoI through resolution F. No.2/3/2005-DDII dated November 23, 2005, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions societies and trusts, and FPIs who are individuals, corporate bodies and family offices and registered with SEBI	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)

Particulars	Eligible Employees#	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
		managed by the Department of Posts, India and Systemically Important NBFCs in accordance with applicable laws.		
Mode of Bidding	Through ASBA process only (except Anchor Investors). In case of UPI Bidders, ASBA process will include the UPI Mechanism.			
Mode of Allotment	Compulsorily in dematerialized form			
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share.			
Trading Lot	One Equity Share			
Terms of Payment	**In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids(4) **In case of all other Bidders**: Full Bid Amount shall be blocked in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank(s) through the UPI Mechanism (for RIBs or individual investors bidding under the Non – Institutional Portion for an amount of more than ₹ 200,000 and up to ₹ 0.50 million, using the UPI Mechanism), that is specified in the ASBA Form at the time of submission of the ASBA Form			

* *Assuming full subscription in the Offer.*

\# *Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹200,000. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. An Eligible Employee Bidding in the Employee Reservation Portion (subject to Bid Amount being up to ₹200,000) can also Bid in the Retail Portion, and such Bids shall not be considered multiple Bids. However, Bids by Eligible Employees Bidding in the Employee Reservation Portion and in the Non Institutional Portion shall be treated as multiple Bids, only if Eligible Employee has made an application of more than ₹ 200,000 in the Employee Reservation Portion. The unsubscribed portion if any, in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion.*

(1) *Our Company, in consultation with the Book Running Lead Managers, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. 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 made to other Anchor Investors. 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.*

(2) *Subject to valid Bids being received at or above the Offer Price. This Offer is made in accordance with the Rule 19(2)(b) of the SCRR and is being made through the Book Building Process, in compliance with Regulation 6(2) of the SEBI ICDR Regulations wherein not less than 75% of the Net Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, 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 shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not more than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not more than 10% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.*

(3) *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. The relevant Bidders should ensure that the depository account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form. 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. Our Company and the Selling Shareholders reserve the right to reject, in its absolute discretion, all or any multiple Bids, except as otherwise permitted, in any or all categories. The Bidders will be required to confirm and will be deemed to have represented to our Company, each of the Selling Shareholders, the Book Running Lead Managers, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.*

(4) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.*

Any unsubscribed portion remaining in the Employee Reservation Portion shall be added to the Net Offer. Allotment to an Eligible Employee in the Employee Reservation Portion may not exceed ₹ 200,000 in value.

Only in the event of an under-subscription in the Employee Reservation Portion, post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 in value. Eligible Employees bidding in the Employee Reservation Portion can also Bid under the Net Offer and such Bids will not be treated as multiple Bids only if Eligible

Employee has made an application of more than ₹ 200,000 million in the Employee Reservation Portion. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. For further details, see "*Terms of the Offer*" on page 405.

The Bids by FPIs with certain structures as described under "*Offer Procedure - Bids by FPIs*" on page 420 and having same PAN will be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) will be proportionately distributed.

Bidders will be required to confirm and will be deemed to have represented to our Company, each of the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be met with spill-over from the other categories or a combination of categories at the discretion of our Company, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange, on a proportionate basis. For further details, see the "*Terms of the Offer*" on page 405.

OFFER PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the "**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 SCRA, the SCRR and the SEBI ICDR Regulations and is a part of the Abridged Prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the Book Running Lead Managers. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.*

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders/Applicants; (v) issuance of CAN and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds was discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently however, SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, had decided to continue with the UPI Phase II till further notice. The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders ("**UPI Phase III**") and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase III, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, had introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. Subsequently, vide the SEBI RTA Master Circular, consolidated the aforementioned circulars to the extent relevant for RTAs, and rescinded these circulars. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings whose application sizes are up to ₹500,000 shall use the UPI Mechanism. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, and SEBI master circular with circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories). These circulars are effective for initial public offers opening on/or after May 1, 2021, and the provisions of these circulars, as amended, are deemed to form part of this Draft Red Herring Prospectus.*

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI RTA Master Circular, shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

Our Company, the Selling Shareholders and the BRLMs shall not be liable for any amendment, modification or change in the applicable law which may occur after the date of this Red Herring Prospectus Bidders are advised to make their independent *investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus or as will be specified in the Red Herring Prospectus and the Prospectus.*

Further, our Company, the Selling Shareholders and the Members of the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR, read with Regulation 31 of the SEBI ICDR Regulations, through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations wherein not less than 75% of the Net Offer shall be allocated on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, 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 shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not more than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹ 200,000 and up to ₹ 1 million; and (b) two third of such portion shall be reserved for applicants with application size of more than ₹ 1 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of or any other manner as introduced in accordance with applicable laws to Non-Institutional Bidders and not more than 10% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories, at the discretion of our Company, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange and subject to applicable laws. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification by the CBDT dated February 13, 2020 read with press releases dated June 25, 2021 and September 17, 2021, read with press release dated September 17, 2021. CBDT circular no.7 of 2022, dated March 30, 2022, read with press release dated March 28, 2023.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms, which do not have the details of the Bidders' depository account, including DP ID, Client ID, UPI ID (in case of UPI Bidders using the UPI Mechanism) and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. Eligible Employees Bidding in the Employee Reservation Portion Bidding using the UPI Mechanism, shall be treated as incomplete and will be rejected. However, they may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the Offer, subject to compliance with applicable laws.

Phased implementation of UPI

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of, *inter alia*, equity shares. Pursuant to the SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 ("**Previous UPI Circulars**") and the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by UPI Bidders through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars and the Previous UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular bearing number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, pursuant to SEBI circular dated March 30, 2020, this phase was extended till further notice. Under this phase, submission of the ASBA Form without UPI by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds was discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continued to be six Working Days during this phase.

Phase III: This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("**T+3 Notification**"). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Offer shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such banks provide a written confirmation, in compliance with the SEBI RTA Master Circular in a format as prescribed by SEBI, from time to time, and such payment of processing fees to the SCSBs shall be made in compliance with circulars prescribed by SEBI and applicable law. The Offer will be made under UPI Phase III of the UPI Circular.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Bidders using the UPI.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law.

Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the Book Running Lead Managers, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Book Running Lead Managers.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com) at least one day prior to the Bid/ Offer Opening Date. The Bid cum Application Forms for Eligible Employees Bidding in the Employee Reservation Portion will be available only at our offices in India.

Copies of the Anchor Investor Application Form will be available at the offices of the Book Running Lead Managers.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. UPI Bidders are mandatorily required to use the UPI Mechanism for submitting their bids to Designated Intermediaries and are allowed to use ASBA Process by way of ASBA Forms to submit their bids directly to SCSBs. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

UPI Bidders bidding using the UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Bidders (including UPI Bidders using UPI Mechanism, as applicable) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected or the UPI ID, as applicable, in the relevant space provided in the ASBA Form. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. UPI Bidders using the UPI Mechanism may also apply through the mobile applications using the UPI handles as provided on the website of the SEBI.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. UPI Bidders using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Banks, as applicable, at the time of submitting the Bid pursuant to SEBI circular bearing number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

Since the Offer is made under Phase III, ASBA Bidders may submit the ASBA Form in the manner below:

a. RIBs (other than the UPI Bidders using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

b. UPI Bidders using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

c. QIBs and NIIs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis(1)	[●]
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral development financial institutions applying on a repatriation basis(1)	[●]
Anchor Investors(2)	[●]
Eligible Employees Bidding in the Employee Reservation Portion(3)	[●]

* *Excluding electronic Bid cum Application Forms*

Notes:

(1) Electronic Bid cum Application forms and the abridged prospectus will also be available for download on the websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com).

(2) Bid cum Application Forms for Anchor Investors shall be available at the offices of the Book Running Lead Managers.

(3) The Bid cum Application Forms for Eligible Employees will be available only at our offices in India.

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges. For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Banks on a continuous basis to enable the Sponsor Banks to initiate UPI Mandate Request to UPI Bidders for blocking of funds. For ASBA Forms (other than RIBs) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID / Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID / Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Banks on a continuous basis through API integration to enable the Sponsor Banks to initiate UPI Mandate Request to RIBs for blocking of funds. The Sponsor Banks shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI mandate request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. In accordance with BSE Circular No: 20220803-40 and NSE Circular No: 25/2022, each dated August 3, 2022, for all pending UPI Mandate Requests, the Sponsor Banks shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Offer Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders Bidding using through the UPI Mechanism should accept UPI mandate requests for blocking of funds prior to the Cut-Off Time and all pending UPI mandate requests at the Cut-Off Time shall lapse. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI

Bidders (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Banks, NPCI or the bankers to an issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the bankers to an issue.

The Sponsor Banks and the issuer banks shall provide the audit trail to the Book Running Lead Managers for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in circulars prescribed by SEBI, from time to time.

The processing fees for applications made by the UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such SCSBs provide a written confirmation in compliance with the SEBI RTA Master Circular, in a format prescribed by SEBI or applicable law.

Pursuant to NSE circular dated August 3, 2022, the following is applicable to all initial public offers opening on or after September 1, 2022:

a. Cut-off time for acceptance of UPI Mandate shall be up to 5:00 pm on the initial public offer closure date and existing process of UPI bid entry by syndicate members, registrars to the offer and depository participants shall continue till further notice.

b. There shall be no T+1 mismatch modification session for PAN-DP mismatch and bank/ location code on T+1 day for already uploaded bids. The dedicated window provided for mismatch modification on T+1 day shall be discontinued.

c. Bid entry and modification/ cancellation (if any) shall be allowed in parallel to the regular bidding period up to 5:00 pm on the initial public offer closure day.

d. Exchanges shall display bid details of only successful ASBA blocked applications i.e. Application with latest status as RC 100 – Block Request Accepted by Investor/ Client.

Electronic registration of Bids

a. The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer, subject to applicable laws.

b. On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids until such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

c. Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given until 5:00 pm on the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Participation by Promoters, Promoter Group, the Book Running Lead Managers, the Syndicate Members and persons related to Promoters/Promoter Group/the Book Running Lead Managers

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation and subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the BRLMs or any associates of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the BRLMs); nor (ii) any “person related to the Promoter or Promoter Group” shall apply in the Offer under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a “person related to the Promoter/Promoter Group”: (a) rights under a shareholders’ agreement or voting agreement entered into with the Promoter or Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an associate of the BRLMs, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLMs.

The Promoters and members of the Promoter Group will not participate in the Offer, except participation of our Promoter in the Offer for Sale.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the Book Running Lead Managers reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

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 such Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity-related instruments of any single company, provided that the limit of 10% shall not be applicable for investments in case of index fund or sector or industry specific scheme. 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

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour). Only Bids accompanies by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment.

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders Bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders Bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSBs (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Participation of Eligible NRIs in the Offer shall be subject to compliance with the FEMA NDI Rules. In accordance with the FEMA NDI Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity share capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the UPI Circulars). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circulars) to apply in the Offer, provided the UPI facility is enabled for their NRE/ NRO accounts.

For further details of restrictions on investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 433.

Participation of Eligible NRIs in the Offer shall be subject to the FEMA NDI Rules.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs should be made, 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.

Bids by FPIs

An FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognised stock exchange in India, and/or may purchase or sell securities other than equity instruments.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our total paid-up equity share capital on a fully diluted basis. [Further, in terms of the FEMA NDI Rules, the total holding by each FPI (or a group) shall be less than 10% of the total paid-up equity share capital of our Company on a fully diluted basis and the aggregate limit for FPI investments shall be sectoral caps applicable to our Company, which is 100% of the total paid-up equity share capital of our Company on a fully diluted basis.]

In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case the total holding of an FPI increases beyond 10% of the total paid-up equity share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholders reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

As specified in the General Information Document, it is hereby clarified that bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations (“**MIM Structure**”), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids are liable to be rejected. Further, in the following cases, the bids by FPIs will not be considered as multiple Bids: involving (i) the MIM Structure and indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments (“**ODI**”) which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as Category 1 FPIs; and (vii) Entities registered as Collective Investment Scheme having multiple share classes.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to 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 in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to *inter alia* the following conditions:

(a) such offshore derivative instruments are transferred only to persons in accordance with Regulation 21(1) of the SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Participation of FPIs in the Offer shall be subject to the FEMA NDI Rules.

Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under applicable laws. Further, MIM Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid. Further, please note that as disclosed in this Draft Red Herring Prospectus read with the General Information Document, Bid Cum Application Forms are liable to be rejected in the event that the Bid in the Bid cum Application Form "*exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus.*"

For example, an FPI must ensure that any Bid by a single FPI and/ or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the "**FPI Group**") shall be below 10% of the total paid-up equity share capital of our Company on a fully diluted basis. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs Bidding through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Offer equity share capital shall be liable to be rejected.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance finds set up by the army, navy or air force of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a 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, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable must be lodged along with the Bid cum Application Form. Failing this, our 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 reasons thereof.

Our Company, in consultation with the Book Running Lead Managers in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations as amended, *inter alia*, prescribe the investment restrictions on VCFs, and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Accordingly, the holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offerings.

Category I AIFs and Category II AIFs cannot invest more than 25% of the investible funds in an investee company directly or through investment in the units of other AIF. A Category III AIF cannot invest more than 10% of the investible funds in an investee company directly or through investment in the units of other AIF. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Pursuant to the repeal of the SEBI VCF Regulations, 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 until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. Our Company, the Selling Shareholders, severally and not jointly, and the Book Running Lead Managers will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Participation of VCFs, AIFs or FVCIs in the Offer shall be subject to the FEMA NDI Rules.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

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, our Company, in consultation with the Book Running Lead Managers reserve the right to reject any Bid without assigning any reason thereof.

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, in consultation with the Book Running Lead Managers 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 ("**Banking Regulation Act**"). and the Master Direction - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the banking company's own paid-up share capital and reserves, whichever is less. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves.

However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company, subject to prior approval of the RBI, if (i) the investee company is engaged in non-financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company; (iii) hold along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid up share capital engaged in non-financial services. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above.

Further, the aggregate investment by a banking company in all its subsidiaries and other entities engaged in financial services and non-financial services, including overseas investments, cannot exceed 20% of the banking company's paid up share capital and reserves.

The banking company is required to submit a time-bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make investment in a (i) subsidiary or a financial services company that is not a subsidiary (with certain exceptions prescribed); and (ii) non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in para 5(a)(v)(c)(i) of the Master Direction - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the circulars bearing numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively, issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the Book Running Lead Managers reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended ("**IRDAI Investment Regulations**"), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Offer are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by Provident Funds/Pension Funds

In case of Bids made by provident funds/pension funds with minimum corpus of ₹ 250 million, subject to applicable law, a certified copy of a 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, our Company, [the Promoter Selling Shareholders and the Investor Selling Shareholder], in consultation with the Book Running Lead Managers reserve the right to reject any Bid, without assigning any reason thereof.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important Non-Banking Financial Companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditor, and (iv) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the Book Running Lead Managers, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹ 500,000. However, the initial allocation to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000. Allotment in the Employee Reservation Portion will be as detailed in the section "*Offer Structure*" on page 411.

However, Allotments to Eligible Employees in excess of ₹ 200,000 shall be considered on a proportionate basis, in the event of undersubscription in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000. Subsequent undersubscription, if any, in the Employee Reservation Portion shall be added back to the Net Offer. Eligible Employees Bidding in the Employee Reservation Portion may Bid at the Cut-off Price.

Bids under the Employee Reservation Portion by Eligible Employees shall be:

1. Made only in the prescribed Bid cum Application Form or Revision Form.

2. Only Eligible Employees (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) would be eligible to apply in this Offer under the Employee Reservation Portion.

3. In case of joint bids, the sole/ First Bidder shall be the Eligible Employee.

4. Bids by Eligible Employees may be made at Cut-off Price.

5. Only those Bids, which are received at or above the Offer Price, would be considered for allocation under this portion.

6. The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee subject to a maximum Bid Amount of ₹ 0.5 million.

7. If the aggregate demand in this portion is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

8. Bids by Eligible Employees in the Employee Reservation Portion and in the Net Offer portion shall not be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000.

If the aggregate demand in this portion is greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, see "*Offer Procedure*" on page 415.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section, the key terms for participation by Anchor Investors are provided below.

1. Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the Book Running Lead Managers.

2. 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.

3. One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

4. Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date, and will be completed on the same day.

5. Our Company, in consultation with the Book Running Lead Managers 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.

6. Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. 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 Book Running Lead Managers before the Bid/ Offer Opening Date, through intimation to the Stock Exchanges.

7. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

8. 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 on the Anchor Investor Pay-in Date specified in the CAN. 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.

9. 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.

10. Neither the (a) Book Running Lead Managers (s) or any associate of the Book Running Lead Managers (other than mutual funds sponsored by entities which are associates of the Book Running Lead Managers or insurance companies promoted by entities which are associates of the Book Running Lead Managers or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the Book Running Lead Managers or FPIs, other than individuals, corporate bodies and family offices, sponsored by the entities which are associates of the Book Running Lead Managers) nor (b) the Promoters, Promoter Group or any person related to the Promoters or members of the Promoter Group shall apply under the Anchor Investors category.

11. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

For more information, please read the General Information Document.

The information set out above is given for the benefit of the Bidders. Our Company, the Selling Shareholders, severally and not jointly and the Book Running Lead Managers are not liable for any amendments or modification or changes to applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulations, or as will be specified in the Red Herring Prospectus.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip 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 Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

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 our 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 compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus or 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

General Instructions

QIB Bidders and Non-Institutional Bidders are not allowed to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. RIBs can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/ Offer Closing Date.

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

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 you (other than in the case of Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number) in the Bid cum Application Form if you are not an UPI bidding using the UPI Mechanism in the Bid cum Application Form and if you are an UPI Bidder using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;

5. UPI Bidders using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Bidders shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;

6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time. Bidders (other than Anchor Investors) shall submit the Bid cum Application Form in the manner set out in the GID;

7. Ensure that you mandatorily have funds equal to or higher than the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;

8. If the first Bidder is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have an account with an SCSB and have mentioned the correct bank account number in the Bid cum Application Form (for all ASBA Bidders other than UPI Bidders Bidding using the UPI Mechanism);

9. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

10. Ensure that you request for and receive a stamped acknowledgement counterfoil or acknowledgment specifying the application number as a proof of having accepted Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

11. The ASBA bidders shall ensure that bids above ₹ 0.50 million, are uploaded only by the SCSBs;

12. 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;

13. UPI Bidders Bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

14. Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and/or the designated branches of SCSBs or the relevant Designated Intermediary, as applicable;

15. UPI Bidders in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID which is UPI 2.0 certified by NPCI to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

16. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

17. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Banks, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request, including in case of any revision of Bids, raised by the Sponsor Banks for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

18. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular no. MRD/Dop/Cir-20/2008 dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular no. MRD/DoP/SE/Cir- 8 /2006 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. All other applications in which PAN is not mentioned will be rejected;

19. Ensure that the Demographic Details are updated, true and correct in all respects;

20. 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;

21. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

22. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

23. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;

24. UPI Bidders who wish to Bid using the UPI Mechanism, should submit Bid with the Designated Intermediaries, pursuant to which the UPI Bidder should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount in the UPI Bidder's ASBA Account;

25. Since the Allotment will be in demat form only, ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;

26. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Banks to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;

27. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Banks prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date;

28. Anchor Investors should submit the Anchor Investor Application Forms to the Book Running Lead Managers;

29. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;

30. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification by the CBDT dated February 13, 2020 read with press releases dated June 25, 2021 and September 17, 2021, read with press release dated September 17, 2021. CBDT circular no.7 of 2022, dated March 30, 2022, read with press release dated March 28, 2023;

31. UPI Bidders shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorisation of the mandate using his/her UPI PIN, an UPI Bidder may be deemed to have verified the attachment containing the application details of the UPI Bidder in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorised the Sponsor Banks to block the Bid Amount mentioned in the Bid Cum Application Form; and

32. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and UPI Bidders Bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least

one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in).

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
3. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
4. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
5. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
6. Do not submit the Bid for an amount more than funds available in your ASBA account;
7. 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 a Bidder;
8. In case of ASBA Bidders, do not submit more than one ASBA Form ASBA Account;
9. If you are an UPI Bidder are using UPI mechanism, do not submit more than one Bid cum Application Form for each UPI ID;
10. Anchor Investors should not Bid through the ASBA process;
11. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
12. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
13. Do not submit the General Index Register (GIR) number instead of the PAN;
14. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, 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 a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
16. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
17. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
18. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;
19. Do not Bid on another Bid cum Application Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
20. Do not Bid for Equity Shares more than what is specified for each category;
21. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid/ Offer Closing Date;
22. Do not fill up the Bid cum Application Form such that the number of Equity Shares Bid for, exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;
23. 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 Bidder. RIBs can revise or withdraw their Bids on or before the Bid/ Offer Closing Date;

24. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres. If you are UPI Bidder and are using UPI Mechanism, do not submit the ASBA Form directly with SCSBs;

25. If you are an UPI Bidder which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID;

26. Do not Bid if you are an OCB;

27. UPI Bidders Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB and/ or mobile applications which is not mentioned in the list provided on the SEBI website is liable to be rejected;

28. Do not submit the Bid cum Application Forms to any non-SCSB bank; and

29. Do not submit a Bid cum Application Form with third party ASBA Bank Account or UPI ID (in case of Bids submitted by UPI Bidder using the UPI Mechanism).

30. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders) and ₹500,000 for Bids by Eligible Employees Bidding in the Employee Reservation Portion; and

31. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Member shall ensure that they do not upload any bids above ₹ 500,000;

32. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Offer or post-Offer related issues regarding share certificates/ demat credit/refund orders/unblocking etc., investors can reach out our Company Secretary and Compliance Officer. For further details of our Company Secretary and Compliance Officer, see "*General Information*" and "*Our Management*" on pages 65 and 219 respectively.

For helpline details of the Book Running Lead Managers pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see "*General Information - Book Running Lead Managers*" on page 66.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchanges, along with the Book Running Lead Managers and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares offered through the Offer through the Red Herring Prospectus and the Prospectus except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the Offer may be made for the purpose of making allotment in minimum lots.

The Allotment of Equity Shares to applicants other than to the RIBs, Non-Institutional Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed. The Allotment of Equity Shares to Anchor Investors shall be on a discretionary basis.

The Allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to the availability of shares in Retail Individual Investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis. Not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 200,000 and up to ₹ 1.00 million, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. The allotment to each Non-Institutional Bidder shall not be less than the Minimum NIB Application Size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares.

Payment into Anchor Investor Escrow Accounts

Our Company, in consultation with the Book Running Lead Managers will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which, the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Anchor Investor Escrow Account should be drawn in favour of:

(a) In case of resident Anchor Investors: "[●]"

(b) In case of non-resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Escrow Banks and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed under the SEBI ICDR Regulations, in all editions of [●], an English national daily newspaper, all editions of [●] and a Hindi national daily newspaper (Hindi also being the regional language of Delhi, where our Registered Office is located), each with wide circulation.

In the pre-Offer advertisement, we shall state the Bid/ Offer Opening Date and the Bid/ Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Allotment advertisement

Our Company, the Book Running Lead Managers and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of [●], an English national daily newspaper, all editions of [●] and a Hindi national daily newspaper (Hindi also being the regional language of Delhi, where our Registered Office is located), each with wide circulation.

The information set out above is given for the benefit of the Bidders/applicants. Our Company, the Selling Shareholders, severally and not jointly and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and Filing with the RoC

(a) Our Company, the Selling Shareholders and the Underwriters intend to enter into an Underwriting Agreement after the finalisation of the Offer Price, but prior to filing of the Red Herring Prospectus or Prospectus, in accordance with the nature of undertaking which is determined in accordance with Regulation 40 (3) of SEBI ICDR Regulations.

(b) If our Company, in consultation with the Book Running Lead Managers, desires to have the Offer underwritten on account of rejection of bids, then an underwriting agreement shall be signed after the filing of the Red Herring Prospectus with the RoC in accordance with the Applicable Law and an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law which would then be termed as the Prospectus. However, if our Company, in consultation with the Book Running Lead Managers, desires to have the Offer underwritten to cover any under-subscription in the Offer, then the Underwriting Agreement shall be signed before the filing of the Red Herring Prospectus with the RoC.

Impersonation

Attention of the Bidders 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, for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5 million or with both.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders (including Anchor Investor Application Form from Anchor Investors);
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- 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 shall be taken within three Working Days of the Bid/ Offer Closing Date or within such other time period prescribed by SEBI;
- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- if Allotment is not made within three Working Days from the Bid/ Offer Closing Date or such other prescribed timelines under applicable laws, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable laws. If there is a delay beyond such prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and other applicable laws for the delayed period;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within time prescribed under applicable laws, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- that if our Company does not proceed with the Offer after the Bid/ Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/ Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges shall be informed promptly;
- where release of block on the application amount for unsuccessful bidders or part of the application amount in case of proportionate allotment, a suitable communication shall be sent to the applicants;
- except for Equity Shares that may be allotted pursuant the Pre- IPO Placement and pursuant to (a) allotment of Equity Shares to the ESOP Trust and (b) upon exercise of options vested under ESOP 2022 and the Equity Shares allotted pursuant to the Fresh Issue, no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc;
- that if the Offer is withdrawn after the Bid/ Offer Closing Date, our Company shall be required to file a fresh offer document with SEBI, in the event a decision is taken to proceed with the Offer subsequently; and
- that our Company shall not have recourse to the Net Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Undertakings by the Selling Shareholders

Each of the Selling Shareholders specifically undertakes and confirms, as applicable, severally and not jointly, in relation to itself and its Offered Shares that:

- it is the legal and beneficial holder of and has clear legal, valid and marketable title to its respective portion of the Offered Shares, and that such Offered Shares shall be transferred in the Offer, free and clear of any encumbrance;

- its respective portion of the Offered Shares shall be transferred to an escrow demat account in dematerialized form prior to the filing of the Red Herring Prospectus with the RoC in accordance with the Share Escrow Agreement to be executed between our Company, the Selling Shareholders and the share escrow agent for the Offer;

- it shall not have recourse to the proceeds from the Offer for Sale until final listing and trading approvals are received from the Stock Exchanges, until which time all monies received shall be kept in a separate bank account in a scheduled bank, within the meaning of Section 40(3) of the Companies Act, 2013.

Only the statements and undertakings in relation to each of the Selling Shareholders and its respective portion of the Offered Shares which are specifically "confirmed" or "undertaken" by such Selling Shareholder in this Draft Red Herring Prospectus, shall be deemed to be "statements and undertakings specifically confirmed or undertaken" by such respective Selling Shareholders. All other statements and/ or undertakings in this Draft Red Herring Prospectus shall be statements and undertakings made by our Company even if the same relates to the Selling Shareholders.

Utilisation of Net Proceeds

Our Board certifies and declares that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act;

- details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Net Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and

- details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment ("**FDI**") through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("**Consolidated FDI Policy**"), which, with effect from October 15, 2020 consolidated and superseded all previous press notes, press releases, circulars and clarifications on FDI issued by DPIIT that were in force and effect prior to October 15, 2020. The Consolidated FDI Policy will be valid until the DPIIT issues an updated circular. FDI in companies engaged in manufacturing activities in India (including contract manufacturing in India) is permitted up to 100% of the paid-up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and such transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA NDI Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA NDI Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Bid/ Offer Period.

In accordance with the FEMA NDI Rules, participation by non-residents in the Offer is restricted to participation by (i) FPIs under Schedule II of the FEMA Non-debt Instruments Rules, in the Offer subject to limit of the individual holding of an FPI below 10% of the post-Offer paid-up capital of our Company on a fully diluted basis and the aggregate limit for FPI investment currently not exceeding the sectoral or statutory cap; and (ii) Eligible NRIs only on non-repatriation basis under Schedule IV of the FEMA NDI Rules.

As per the existing policy of the Government, OCBs cannot participate in the Offer.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) outside the United States in offshore transactions as defined in and in compliance with Regulation S and the applicable laws of the jurisdictions where those offers and sales are made, and (b) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) pursuant to Section 4(a) of the U.S. 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.

For further details, see "*Offer Procedure*" beginning on page 415.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders, severally and not jointly, and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits or maximum number of Equity Shares that can be held by them under applicable laws or regulations or as specified in this Draft Red Herring Prospectus.

SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

The Articles of Association has been approved by our Board of Directors pursuant to a resolution passed on February 7, 2024 and has been approved by our Shareholders pursuant to a special resolution passed in the extraordinary general meeting held on February 7, 2024. Capitalised terms used in this section have the meanings that have been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:

Preliminary

a) Except in so far as otherwise expressly incorporated hereinafter, the regulations contained in Table 'F' in the First Schedule to the Companies Act, 2013 shall apply to the Company.

b) The regulations for the management of the Company and the observance by the Members thereof shall be such as are contained in these Articles.

c) The Articles of Association of the Company comprise two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other until the date of filing of the red herring prospectus of the Company ("**RHP**") with the Registrar of Companies, Delhi and Haryana at New Delhi ("**RoC**") or an earlier date as may be prescribed or suggested by the Securities and Exchange Board of India ("**SEBI**") in respect of an initial public offering of the equity shares of the Company (the "**Offer**" of the "**Equity Shares**" of the Company). In the event that there is any inconsistency between any provisions in Part B of these Articles with the provisions of any other part of these Articles, then the provisions in Part B of these Articles, shall, subject to Applicable Law, prevail and be applicable. All the Articles of Part B shall automatically terminate and cease to have any force and effect from the date of filing of the RHP with the RoC or an earlier date as may be prescribed by the SEBI and the provisions of Part A shall continue to be in effect and be in force, without any further corporate or other action, by the Company or by its shareholders.

PART A

Definitions and Interpretation

1. In these Articles, the following words and expressions, unless repugnant to the subject, shall mean the following:

   a) "***Act***" means Companies Act, 2013, and the rules framed thereunder, and any amendments, re-enactments or other statutory modifications thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.

   b) "***Annual General Meeting***" means the annual general meeting of the Company convened and held in accordance with the Act.

   c) "***Articles of Association***" **or** "***Articles***" mean these articles of association of the Company, as may be altered from time to time in accordance with the Act.

   d) "***Applicable Law***" mean any statute, law, regulation, ordinance, rule, notification, rule of common law, Order, bye-law, government approval, directive, guideline, requirement or other governmental restriction applicable to the jurisdiction of India, or any similar form of decision of, or determination by, or any interpretation, policy or administration, having the force of law, by any governmental authority having jurisdiction over the matter in question, as may be amended, modified, enacted or revoked from time to time hereafter.

   e) "***Board***" or "***Board of Directors***" means the board of directors of the Company in office at applicable time

   f) "***Company***" means Akums Drugs and Pharmaceuticals Limited, a company incorporated under the laws of India and is a public company within the meaning of section 2(71) of the Act.

   g) ***"Depositories Act"*** means the Depositories Act, 1996 or any statutory modification or re- enactment thereof for the time being in force.

   h) "***Depository***" means a depository, as defined in clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996 and a company formed and registered under the Companies Act, 2013 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.

   i) "***Director***" shall mean any director of the Company, including alternate directors, independent directors and nominee directors appointed in accordance with and the provisions of these Articles.

j) “***Extraordinary General Meeting***” means an extraordinary general meeting of the Company convened and held in accordance with the Act;

k) “***General Meeting***” means any duly convened meeting of the shareholders of the Company and any adjournments thereof;

l) “***Member***” means the duly registered holder from time to time, of the shares of the Company and includes the subscribers to the Memorandum of Association and in case of shares held by a Depository, the beneficial owners whose names are recorded as such with the Depository;

m) “***Memorandum***” or “***Memorandum of Association***” means the memorandum of association of the Company, as may be altered from time to time;

n) “***Office***” means the registered office, for the time being, of the Company;

o) “***Officer***” shall have the meaning assigned thereto by the Act;

p) “***Ordinary Resolution***” shall have the meaning assigned thereto by the Act;

q) “***Register of Members***” means the register of members to be maintained pursuant to the provisions of the Act and the register of beneficial owners pursuant to Section 11 of the Depositories Act, 1996, in case of shares held in a Depository;

r) “**Seal**” means the common seal of the Company.

s) “***Securities or Shares***” means all classes of shares in the Share Capital issued from time to time, together with all rights, differential rights, obligations, title, interest and claim in such shares and shall be deemed to include all bonus shares issued in respect of such shares and shares issued pursuant to a stock split in respect of such shares and shall for avoidance of doubt include Equity Shares and preference shares;

t) “***Special Resolution***” shall have the meaning assigned thereto by the Act.

2. Except where the context requires otherwise, these Articles will be interpreted as follows:

a. headings are for convenience only and shall not affect the construction or interpretation of any provision of these Articles.

b. where a word or phrase is defined, other parts of speech and grammatical forms and the cognate variations of that word or phrase shall have corresponding meanings;

c. words importing the singular shall include the plural and vice versa;

d. all words (whether gender-specific or gender neutral) shall be deemed to include each of the masculine, feminine and neuter genders;

e. the expressions “hereof”, “herein” and similar expressions shall be construed as references to these Articles as a whole and not limited to the particular Article in which the relevant expression appears;

f. the *ejusdem generis* (of the same kind) rule will not apply to the interpretation of these Articles. Accordingly, ***include*** and ***including*** will be read without limitation;

g. any *reference* to a ***person*** includes any individual, firm, corporation, partnership, company, trust, association, joint venture, government (or agency or political subdivision thereof) or other entity of any kind, whether or not having separate legal personality. A reference to any person in these Articles shall, where the context permits, include such person’s executors, administrators, heirs, legal representatives and permitted successors and assigns;

h. a reference to any document (including these Articles) is to that document as amended, consolidated, supplemented, novated or replaced from time to time;

i. references made to any provision of the Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the Ministry of Corporate Affairs. The applicable provisions of the Companies Act, 1956 shall cease to have effect from the date on which the corresponding provisions under the Companies Act, 2013 have been notified.

j. a reference to a statute or statutory provision includes, to the extent applicable at any relevant time:

i. that statute or statutory provision as from time to time consolidated, modified, re- enacted or replaced by any other statute or statutory provision; and

ii. any subordinate legislation or regulation made under the relevant statute or statutory provision;

k. references to writing include any mode of reproducing words in a legible and non-transitory form;

l. references to **Rupees, Rs., Re., INR, ₹** are references to the lawful currency of India; and

m. save as aforesaid, any words or expression defined in the Act shall, if not inconsistent with the subject pr context bear the same meaning in these Articles.

Share capital and variation of rights

3. Subject to the provisions of section 62 of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors 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 or at discount and at such time as they may from time to time think fit and with sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par (subject to the compliance with the provision of section 53 of the Act) or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company In the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

4. (*i*) Every person whose name is entered as a Member in the Register of Members shall be entitled to receive within two months after incorporation in case of subscribers to the Memorandum or after allotment or within one month after the application for the registration of transfer or transmission or sub-division, consolidation or renewal of any of its shares, within such other period as the conditions of issue shall be provided—

(*a*) one certificate for all his shares of each class or denomination registered in his name, without payment of any charges; or

(*b*) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

(*ii*) Every certificate shall specify the number and distinctive numbers of shares to which it relates and the amount paid-up thereon and shall be signed by two Directors or by a Director and the company secretary, wherever the Company has appointed a company secretary:

Provided that in case the Company has a common Seal it shall be affixed in the presence of the persons required to sign the certificate.

(*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.

5. Every Member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission, subdivision, consolidation or renewal of any of its shares as the case may be.

6. (*i*) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding ₹50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.

(*ii*) The provisions of Articles (*2*) and (*4*) shall *mutatis mutandis* apply to debentures of the Company.

7. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

8. (*i*) The Company may exercise the powers of paying commissions conferred by sub-section (*6*) of section 40 of the Act, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rule made thereunder.

(*ii*) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40 of the Act.

(*iii*) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

9. (*i*) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48 of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(*ii*) To every such separate meeting, the provisions of these regulations relating to General Meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

10. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further share ranking *pari passu* therewith.

11. Subject to the provisions of section 55 of the Act, any preference shares may, with the sanction of an Ordinary Resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by special resolution, determine.

Further Issue of Shares

12. Where at any time the Board or the Company, as the case may be, proposes to increase the subscribed capital by the issue of further shares then such shares shall be offered, subject to the provisions of section 62 of the Act, and the rules made thereunder:

a) to the persons who at the date of the offer are holders of the Equity Shares of the Company, in proportion as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions mentioned in (i) to (iii) below;

(i) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days or such lesser number of days as may be prescribed and not exceeding thirty days from the date of the offer, within which the offer if not accepted, shall be deemed to have been declined.

Provided that the notice shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three days before the opening of the issue;

(ii) The offer aforesaid 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 and the notice referred to in sub-clause (ii) above shall contain a statement of this right;

Provided that the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any Member may renounce the shares offered to him.

(iii) After the expiry of time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that the person declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the Members and the Company;

b) to employees under any scheme of employees' stock option subject to Special Resolution passed by the Company and subject to the rules and such other conditions, as may be prescribed under Applicable Law; or

c) to any person(s), if it is authorised by a Special Resolution, whether or not those persons include the persons referred to in Article 12(a) or Article 12(b) above either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the Act and the rules made thereunder;

13. Nothing in sub-article (iii) of Article 12 shall be deemed:

a) To extend the time within which the offer should be accepted; or

b) To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the Shares compromised in the renunciation.

14. Nothing in Article 12 shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the Company to convert such debentures or loans into shares in the Company:

Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in General Meeting.

15. Notwithstanding anything contained in Article 14 hereof, where any debentures have been issued, or loan has been obtained from any government by the Company, and if that government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion:

Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order, appeal to National Company Law Tribunal which shall after hearing the Company and the Government pass such order as it deems fit.

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 made thereunder.

Term of Issue of Debentures:

16. Any debentures, debenture-stock or other Securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

Lien

17. The Company shall have a first and paramount lien—

(a) upon all the shares/debentures (other than fully paid-up shares/ debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all monies (whether presently payable or not) called or payable at a fixed time in respect of such shares/ debentures and no equitable interest in any share/ debenture shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends payable and bonuses declared from time to time in respect of such shares/ debentures.

(b) Unless otherwise agreed the registration of a transfer of shares/ debentures shall operate as a waiver of the Company's lien, if any, on such shares/ debentures.

Provided that the Board of Directors may at any time declare any shares/debentures to wholly or in part exempt from the provisions of this Article.

18. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made—

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

19. (*i*) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(*ii*) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(*iii*) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

20. (*i*) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(*ii*) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

Calls on shares

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 no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call

(*ii*) Each Member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.

(*iii*) A call may be revoked or postponed at the discretion of the Board.

22. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.

23. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

24. *(i)* The Directors may, if they think fit, subject to the provisions of section 50 of the Act, agree to and receive from any Member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the Member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

(ii) The Members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

(iii) The provisions of these Articles shall *mutatis mutandis* apply to the calls on debentures of the Company.

25. (*i*) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.

(*ii*) The Board shall be at liberty to waive payment of any such interest wholly or in part.

26. (*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.

27. The Board—

(*a*) may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(*b*) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in General Meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the Member paying the sum in advance.

Transfer of shares

28. The instrument of transfer shall be in writing and all provisions of Section 56 of the Act and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

29. (*i*) The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.

(*ii*) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the Register of Members in respect thereof.

30. The Board may, subject to the right of appeal conferred by section 58 of 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

(*b*) any transfer of shares on which the Company has a lien.

31. The Board may decline to recognise any instrument of transfer unless—

(*a*) the instrument of transfer is in the form as prescribed in rules made under sub-section (*1*) of section 56 of 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

(*c*) the instrument of transfer is in respect of only one class of shares.

32. On giving not less than seven days' previous notice in accordance with section 91 of the Act and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

Transmission of shares

33. (*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 (*i*) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

34. (*i*) Any person becoming entitled to a share in consequence of the death or insolvency of a Member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—

(*a*) to be registered himself as holder of the share; or

(*b*) to make such transfer of the share as the deceased or insolvent Member could have made.

(*ii*) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent Member had transferred the share before his death or insolvency.

35. (*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.

36. 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.

37. Subject to the provisions of section 58 of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

38. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.

Forfeiture of shares

39. If a Member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

40. 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.

41. 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.

42. (*i*) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(*ii*) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

43. (*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.

44. (*i*) A duly verified declaration in writing that the declarant is a Director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

(*ii*) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

(*iii*) The transferee shall thereupon be registered as the holder of the share; and

(*iv*) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

45. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Alteration of capital

46. 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.

47. Subject to the provisions of section 61 of the Act, the Company may, by Ordinary Resolution,—

(*a*) consolidate and divide all or any of its share capital into shares of larger 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.

48. 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.

49. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—

(*a*) its share capital;

(*b*) any capital redemption reserve account; or

(*c*) any share premium account.

Capitalisation of profits

50. (*i*) The Company in General Meeting may, upon the recommendation of the Board, resolve—

(*a*) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(*b*) that such sum be accordingly set free for distribution in the manner specified in clause (*ii*) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(*ii*) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (*iii*), either in or towards—

(*A*) paying up any amounts for the time being unpaid on any shares held by such Members respectively;

(*B*) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such Members in the proportions aforesaid;

(*C*) partly in the way specified in sub-clause (*A*) and partly in that specified in sub-clause (*B*);

(*D*) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus shares;

(*E*) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

51. (*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

52. Notwithstanding anything contained in these Articles but subject to the provisions of sections 68 to 70 of the Act and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified Securities.

General meetings

53. All General Meetings other than Annual General Meeting shall be called Extraordinary General Meeting.

54. (*i*) The Board may, whenever it thinks fit, call an Extraordinary General Meeting.

(*ii*) If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any Director or any two Members of the Company may call an Extraordinary General Meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

Proceedings at General Meetings

55. (*i*) No business shall be transacted at any General Meeting unless a quorum of Members is present at the time when the meeting proceeds to business.

(*ii*) Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in section 103 of the Act.

56. The chairperson, if any, of the Board shall preside as Chairperson at every General Meeting of the Company.

57. 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.

58. If at any meeting no Director is willing to act as Chairperson or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the Members present shall choose one of their Members to be Chairperson of the meeting.

Adjournment of meeting

59. (*i*) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(*ii*) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(*iii*) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(*iv*) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting rights

60. 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.

61. A Member may exercise his vote at a meeting by electronic means in accordance with section 108 of the Act and shall vote only once.

62. (*i*) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(*ii*) For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.

63. 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.

64. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

65. 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.

66. (*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

67. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

68. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105 of the Act.

69. 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

70. Subject to the provisions of the Act, the number of Directors shall not be less than 3 (three) and more than 15 (fifteen), provided that the Company may appoint more than 15 (fifteen) directors after passing a special resolution. At least one Director shall reside in India for a total period of not less than 182 (one hundred and eighty-two) days in each financial year.

71. The following were the first Directors of the Company:

(a) Dharam Chand Jain

(b) Sanjeev Jain

(c) Sandeep Jain

72. (*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*) 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.

73. The Board may pay all expenses incurred in getting up and registering the Company.

74. The Company may exercise the powers conferred on it by section 88 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that (section) make and vary such regulations as it may thinks fit respecting the keeping of any such register.

75. 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.

76. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

77. (*i*) Subject to the provisions of section 149 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.

Proceedings of the Board

78. (*i*) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(*ii*) A Director may, and the manager or secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.

79. (*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.

80. The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a General Meeting of the Company, but for no other purpose.

81. (*i*) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(*ii*) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be Chairperson of the meeting.

82. (*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.

83. (*i*) A committee may elect a Chairperson of its meetings.

(*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.

84. (*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.

85. 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.

86. 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

87. Subject to the provisions of the Act,—

(*i*) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(*ii*) A Director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

88. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a Director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

The Seal

89. (*i*) The Board shall provide for the safe custody of the Seal.

(*ii*) The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two Directors and of the secretary or such other person as the Board may appoint for the purpose; and those two Directors and the secretary or other person aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.

Explanation.- : For the purposes of this sub-paragraph it is hereby clarified that on and from the commencement of the Companies (Amendment) Act, 2015 (21 of 2015), i.e. with effect from the 29th May, 2015, Company may not be required to have the Seal by virtue of registration under the Act and if a Company does not have the Seal, the provisions of this sub-paragraph shall not be applicable.

Dividends and Reserve

90. The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

91. Subject to the provisions of section 123 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.

92. (*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.

93. (*i*) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

(*ii*) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(*iii*) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

94. 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.

95. (*i*) Any dividend, interest or other monies payable in cash in respect of shares maybe 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.

96. 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.

97. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

98. No dividend shall bear interest against the Company.

99. *(i)* Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "Unpaid Dividend Account"

(ii) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Fund known as Investor Education and Protection Fund established under section 125 of the Act.

(iii) No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.

Accounts

100. (*i*) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of Members not being Directors.

(*ii*) No Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in General Meeting.

Winding up

101. Subject to the provisions of Chapter XX of the Act and rules made thereunder—

(*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 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.

Indemnity

102. Every Officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be filed with the RoC. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at our Registered Office between 10 a.m. and 5 p.m. on all Working Days from date of the Red Herring Prospectus until the Bid/ Offer Closing Date. The copies of the contracts and also the documents for inspection referred to hereunder will be uploaded on the website of our Company at https://www.akums.in/investors/ and will be available for inspection from date of the Red Herring Prospectus until the Bid/ Offer Closing Date (except for such agreements executed after the Bid/ Offer Closing Date).

A. Material Contracts for the Offer

1. Offer Agreement dated February 10, 2024, amongst our Company, the Selling Shareholders, and the Book Running Lead Managers.

2. Registrar Agreement dated February 9, 2024, amongst our Company, the Selling Shareholders, and the Registrar to the Offer.

3. Cash Escrow and Sponsor Banks Agreement dated [●] amongst our Company, the Selling Shareholders, the Registrar to the Offer, the Book Running Lead Managers, the Syndicate Members, the Escrow Collection Bank(s), Sponsor Banks, Public Offer Account Bank and the Refund Bank(s).

4. Share Escrow Agreement dated [●] amongst the Selling Shareholders, our Company, and the Share Escrow Agent.

5. Syndicate Agreement dated [●] amongst our Company, the Selling Shareholders, the Book Running Lead Managers, the Registrar to the Offer, and Syndicate Members.

6. Monitoring Agency Agreement dated [●] entered into between our Company and the Monitoring Agency.

7. Underwriting Agreement dated [●] amongst our Company, the Selling Shareholders, and the Underwriters.

B. Material Documents

1. Certified copies of our Memorandum of Association and Articles of Association, as amended from time to time.

2. Certificate of incorporation issued by the RoC dated April 19, 2004 to our Company under the name 'Akums Drugs and Pharmaceuticals Limited'.

3. Board resolutions dated October 26, 2023 and February 7, 2024, approving the Offer and other related matters.

4. Shareholders' resolution dated October 26, 2023, approving the Offer and other related matters.

5. Board resolution dated 7, 2024 and IPO Committee resolution dated February 10, 2024 approving this Draft Red Herring Prospectus for filing with SEBI and the Stock Exchanges.

6. Board resolutions dated January 17, 2024 and February 7, 2024, taking on record the approval for the Offer for Sale by the Selling Shareholders.

7. The Shareholders' agreement dated October 3, 2019, entered into by and amongst our Company, Sandeep Jain, Sanjeev Jain, and Ruby QC Investment Holdings Pte. Ltd., read together with the waiver cum amendment agreement dated February 9, 2024 entered into by and amongst our Company, Sandeep Jain, Sanjeev Jain, and Ruby QC Investment Holdings Pte. Ltd.

8. Consent letters and authorisations from the Selling Shareholders consenting to participate in the Offer for Sale.

9. Copies of the annual reports of our Company for the Fiscals 2023, 2022 and 2021.

10. The examination report dated January 17, 2024 of the Statutory Auditors on our Restated Consolidated Financial Information.

11. The report dated February 9, 2024 on the ‘Statement of possible special tax benefits’ available to the Company, its shareholders and the Material Subsidiaries under the applicable laws in India’ from the Statutory Auditors.

12. Certificate dated February 10, 2024, from T A M S & CO LLP, independent chartered accountant, certifying the KPIs of the Company.

13. Consent dated February 10, 2024, from Walker Chandiok & Co LLP, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name as required under the SEBI ICDR Regulations in this Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013, to the extent and in their capacity as our Statutory Auditors and in respect of their (i) examination report dated January 17, 2024 on our Restated Consolidated Financial Information; and (ii) report dated February 7, 2024 on the Statement of Special Tax Benefits for the Company, its shareholders and the Material Subsidiaries. However, the term “expert” and “consent” shall not be construed to mean an “expert” and “consent” as defined under the U.S. Securities Act.

14. Consent dated February 10, 2024, from T A M S & CO LLP, independent chartered accountant, to include their name as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations in this Draft Red Herring Prospectus and referred to as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of various certifications issued by them in their capacity as independent chartered accountant to our Company.

15. Consent dated February 10, 2024 from Er. S. C. Aggarwal, an independent chartered engineer to include their name as required under the SEBI ICDR Regulations in this Draft Red Herring Prospectus, and as an “expert”, as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as an independent chartered engineer in relation to the certificate dated February 10, 2024, certifying, *inter alia*, the details of the installed and production capacity of our manufacturing facilities.

16. Consent dated February 10, 2024 from Chadha & Chadha, an intellectual property consultant, to include their name as required under the SEBI ICDR Regulations in this Draft Red Herring Prospectus, and as an “expert”, as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as an intellectual property consultant in relation to the certificate dated February 10, 2024, certifying, *inter alia*, the details of the trademarks, patents and other intellectual property of our Company and its Subsidiaries.

17. Consents of our Directors, Bankers to our Company, the BRLMs, Registrar to the Offer, Banker(s) to the Offer, legal counsels, Monitoring Agency, Escrow Collection Bank(s), Public Offer Account Bank(s), Refund Bank(s), Sponsor Bank(s), lenders to our Company, Company Secretary and Compliance Officer of our Company, as referred to act, in their respective capacities.

18. Consent letter dated February 8, 2024, from Frost & Sullivan (India) Private Limited to rely on and reproduce part or whole of the F&S Report and include their name in this Draft Red Herring Prospectus.

19. Industry report titled “*Independent Market Research on the Overview of the Global and Indian Contract Development & Manufacturing Organization Industry*” dated February 8, 2024 prepared and issued by F&S, commissioned and paid for by our Company and engagement letter dated October 7, 2023, amongst our Company and F&S.

20. Resolution dated February 7, 2024 passed by the Audit Committee approving the KPIs.

21. In-principle listing approvals dated [●] and [●] from the BSE and the NSE, respectively.

22. Tripartite Agreement dated July 18, 2019 among our Company, NSDL and the Registrar to the Offer.

23. Tripartite Agreement dated January 31, 2024 among our Company, CDSL and the Registrar to the Offer.

24. Due diligence certificate to SEBI from the BRLMs, dated February 10, 2024.

25. SEBI final observation letter number [●] dated [●].

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 notice to the Shareholders subject to compliance of the provisions contained in the Companies Act, 2013 and other relevant statutes.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India and the guidelines, regulations or rules 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, disclosure and undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of 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. I further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sanjeev Jain
Managing Director

Place: Mussoorie

Date: February 10, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India and the guidelines, regulations or rules 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, disclosure and undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of 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. I further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sandeep Jain
Managing Director

Place: Haridwar

Date: February 10, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India and the guidelines, regulations or rules 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, disclosure and undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of 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. I further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sanjay Stfiha

Whole-time Director

Place: Haridwar

Date: February 10, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India and the guidelines, regulations or rules 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, disclosure and undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of 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. I further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sunil Thakur
Non-Executive Director

Place: New Delhi

Date: February 10, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India and the guidelines, regulations or rules 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, disclosure and undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of 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. I further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Kewal Kundan Lal Handa
Independenl Director

Place: Mumbai

Date: February 10, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India and the guidelines, regulations or rules 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, disclosure and undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of 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. I further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Matangi Gowrishankar
Independent Director

Place: Pune

Date: February 10, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India and the guidelines, regulations or rules 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, disclosure and undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of 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. I further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Naud Lal Kalra
Independent Director

Place: Jaipur

Date: February 10, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India and the guidelines, regulations or rules 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, disclosure and undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of 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. I further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Satwinder Singh
Independent Director

Place: Delhi

Date: February 10, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India and the guidelines, regulations or rules 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, disclosure and undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of 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. I further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Sumeet Sood
Chief Financial Officer

Place: Delhi

Date: 10/02/2024

DECLARATION BY SELLING SHAREHOLDER

I, Sanjeev Jain, hereby confirm that all statements, and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to me, as one of the Promoter Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

Sanjeev Jain

Place: Mussoorie

Date: February 10, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India and the guidelines, regulations or rules 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, disclosure and undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of 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. I further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sandeep Jain
Managing Director

Place: Haridwar

Date: February 10, 2024

DECLARATION BY SELLING SHAREHOLDER

We, Ruby QC Investment Holdings Pte. Ltd., hereby confirm that all statements, and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to us, as an Investor Selling Shareholder and our portion of the Offered Shares, are true and correct. We assume no responsibility, for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

Signed on behalf of Ruby QC Investment Holdings Pte. Ltd.

Authorised Signatory: Mow Ying Oi

Designation: Director

Place: Singapore

Date: February 10, 2024