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DRAFT RED HERRING PROSPECTUS

Dated February 15, 2022

(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



MACLEODS PHARMACEUTICALS LIMITED

Corporate Identity Number: U24239MH1989PLC052049

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
304, Atlanta Arcade Marol Church Road Andheri (East) Mumbai, Maharashtra – 400059, India	501-503, “A” Wing Everest Grande, Shanti Nagar Mahakali Caves Road, Andheri (East) Mumbai, Maharashtra – 400093, India	Siddhesh Mahadeo Rane <i>Company Secretary and Compliance Officer</i>	Email: investors@macleodspharma.com Corporate Office Telephone: 022-67695800 Registered Office Telephone: 022- 66762800	www.macleodspharma.com

THE PROMOTERS OF OUR COMPANY ARE: GIRDHARILAL BAWRI, BANWARILAL BAWRI AND DR. RAJENDRA AGARWAL

DETAILS OF OFFER TO PUBLIC, PROMOTERS/ SELLING SHAREHOLDERS

Type	Fresh Issue Size	Size of the Offer for Sale	Total Offer size	Eligibility – 6(1)/(6)(2) & Share Reservation among QIB, NII & RII
Offer for Sale	Not applicable	60,482,040 Equity Shares	Up to ₹ [●] million	This Offer is being made in terms of Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”).

DETAILS OF THE SELLING SHAREHOLDERS, OFFER FOR SALE AND THE WEIGHTED AVERAGE COST OF ACQUISITION

NAME OF THE SELLING SHAREHOLDER	TYPE	NUMBER OF SHARES OFFERED	WEIGHTED AVERAGE COST OF ACQUISITION (IN ₹)^	NAME OF THE SELLING SHAREHOLDER	TYPE	NUMBER OF SHARES OFFERED	WEIGHTED AVERAGE COST OF ACQUISITION (IN ₹)^
Girdharilal Bawri	Promoter	Up to 6,370,275 Equity Shares aggregating up to ₹ [●] million	Negligible	Vijay Agarwal	Promoter Group	Up to 6,313,461 Equity Shares aggregating up to ₹ [●] million	Nil
Banwarilal Bawri	Promoter	Up to 8,955,582 Equity Shares aggregating up to ₹ [●] million	0.01	Anju Agarwal	Promoter Group	Up to 4,933,239 Equity Shares aggregating up to ₹ [●] million	0.26
Dr. Rajendra Agarwal	Promoter	Up to 5,280,514 Equity Shares aggregating up to ₹ [●] million	0.03	Gauri Agarwal	Promoter Group	Up to 4,893,242 Equity Shares aggregating up to ₹ [●] million	Nil
Prateek Agarwal	Promoter Group	Up to 7,630,901 Equity Shares aggregating up to ₹ [●] million	Nil	Dr. Ruchi Agarwal	Promoter Group	Up to 4,851,700 Equity Shares aggregating up to ₹ [●] million	Negligible
Ajay Agarwal	Promoter Group	Up to 6,582,955 Equity Shares aggregating up to ₹ [●] million	0.37	Sudha Bawri	Promoter Group	Up to 2,678,815 Equity Shares aggregating up to ₹ [●] million	0.01

^ Calculated on a fully diluted basis

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 ₹1. The Floor Price, Cap Price and Offer Price (determined by our Company and the Promoter Selling Shareholders 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 105 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 36.

COMPANY’S AND SELLING SHAREHOLDERS’ ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and 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. Further, each of the Selling Shareholders, severally and not jointly, accepts responsibility for and confirms only statements expressly made by such Selling Shareholder in this Draft Red Herring Prospectus solely in relation to itself and its 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.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges being BSE Limited and National Stock Exchange of India Limited. For the purposes of the Offer, the Designated Stock Exchange shall be [●].

BOOK RUNNING LEAD MANAGERS

Name of the BRLMs	Contact Person	Email and Telephone	Name of the BRLMs	Contact Person	Email and Telephone
 Kotak Mahindra Capital Company Limited	Ganesh Rane	Tel: +91 22 4336 0000 E-mail: macleods.ipo@kotak.com	 ICICI Securities Limited	Sameer Purohit/ Gaurav Mittal	Tel: +91 22 6807 7100 E-mail: macleods.ipo@icicisecurities.com
 Citigroup Global Markets India Private Limited	Keshav Tawari	Tel: +91 22 6175 9999 E-mail: macleodspharma.ipo@citi.com	 Nomura Financial Advisory and Securities (India) Private Limited	Vishal Kanjani/ Chirag Shah	Tel: +91 22 4037 4037 E-mail: macleodspharmaipo@nomura.com
 Edelweiss Financial Services Limited	Lokesh Shah	Tel: +91 22 4009 4400 E-mail: macleods.ipo@edelweissfin.com			

REGISTRAR TO THE OFFER

Kfin Technologies Private Limited (formerly known as Kavya Fintech Private Limited)	Contact Person: M Murali Krishna	Tel: +91 40 6716 2222 Email: mpl.ipo@kfinetech.com

BID/OFFER PERIOD

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

* Our Company and the Promoter Selling Shareholders shall, in consultation with the Book Running Lead Managers, 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 and the Promoter Selling Shareholders shall, in consultation with the Book Running Lead Managers, 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.

MACLEODS®
MACLEODS PHARMACEUTICALS LIMITED

Our Company was originally incorporated as 'Macleods Pharmaceuticals Private Limited' at Mumbai, Maharashtra as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated June 5, 1989, issued by the Registrar of Companies, Maharashtra, at Mumbai ("RoC"). Thereafter, our Company was converted into a public limited company and consequently the name of our Company was changed to 'Macleods Pharmaceuticals Limited' pursuant to a fresh certificate of incorporation dated January 30, 1997 issued by the RoC. For further details in relation to the changes in the name and registered office of our Company, see "History and Certain Corporate Matters" on page 199.

Registered Office: 304, Atlanta Arcade, Marol Church Road, Andheri (East), Mumbai, 400059, Maharashtra, India
Corporate Office: 501-503, "A" Wing, Everest Grande, Shanti Nagar Mahakali Caves Road, Andheri (East), Mumbai, 400093, Maharashtra, India;
Telephone: 022-67695800; **Contact Person:** Siddhesh Mahadeo Rane, Company Secretary and Compliance Officer
E-mail: investors@macleodspharma.com; **Website:** www.macleodspharma.com; **Corporate Identity Number:** U24239MH1989PLC052049

PROMOTERS OF OUR COMPANY: GIRDHARIL BAWRI, BANWARILAL BAWRI AND DR. RAJENDRA AGARWAL

INITIAL PUBLIC OFFER OF UP TO 60,482,040 EQUITY SHARES OF FACE VALUE OF ₹1 EACH ("EQUITY SHARES") OF MACLEODS PHARMACEUTICALS LIMITED ("COMPANY") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹[●] MILLION (THE "OFFER") THROUGH AN OFFER FOR SALE OF UP TO 6,370,275 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY GIRDHARILAL BAWRI, UP TO 8,955,582 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY BANWARILAL BAWRI AND UP TO 5,280,514 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY DR. RAJENDRA AGARWAL, (COLLECTIVELY, THE "PROMOTER SELLING SHAREHOLDERS") AND UP TO 6,630,901 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY PRATEEK AGARWAL, UP TO 6,582,955 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY AJAY AGARWAL, UP TO 6,313,461 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY VIJAY AGARWAL, UP TO 4,933,239 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY ANJU AGARWAL, UP TO 4,893,242 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY GAURI AGARWAL, UP TO 4,851,700 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY DR. RUCHI AGARWAL, UP TO 2,678,815 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY SUDHA BAWRI, UP TO 805,996 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY SHALINI KEDIA, UP TO 694,490 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY ANUSHREE AGARWAL AND UP TO 490,870 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY TARADEVI BAWRI (COLLECTIVELY, THE "PROMOTER GROUP SELLING SHAREHOLDERS" TOGETHER WITH PROMOTER SELLING SHAREHOLDERS "SELLING SHAREHOLDERS") AND SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDERS, THE ("OFFERED SHARES").

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

THE FACE VALUE OF EQUITY SHARES IS ₹1 EACH. THE PRICE BAND, THE RUPEE AMOUNT OF DISCOUNT, IF ANY, TO THE ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT") AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE PROMOTER SELLING SHAREHOLDERS, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND WILL BE ADVERTISED IN ALL EDITIONS OF ENGLISH NATIONAL DAILY NEWSPAPER, [●], ALL EDITIONS OF HINDI NATIONAL DAILY NEWSPAPER, [●], AND [●] EDITIONS OF THE MARATHI DAILY NEWSPAPER, [●], (MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA, WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE"), AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

***OUR COMPANY AND THE PROMOTER SELLING SHAREHOLDERS IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, MAY OFFER A DISCOUNT OF UP TO [●]% OF THE OFFER PRICE (EQUIVALENT OF ₹[●] PER EQUITY SHARE) TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION, IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS.**

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 and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers, 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 Self-Certified Syndicate Banks ("SCSBs"), other Designated Intermediaries and the Sponsor Bank, as applicable.

This Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made in accordance with Regulation 6(1) of the SEBI ICDR Regulations and through the Book Building Process wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs"), and such portion, the "QIB Portion"). Our Company and the Promoter Selling Shareholders may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), out of which at least one-third shall be available for allocation to domestic Mutual Funds only, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 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 QIB Bidders other than Anchor Investors, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis or in any other manner as introduced under applicable laws, to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders ("RIBs") in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All Bidders, other than Anchor Investors, are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective bank account (including UPI ID (defined hereinafter) in case of RIBs) which will be blocked by the SCSBs or the Sponsor Bank as applicable, to participate in the Offer. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "Offer Procedure" on page 479.

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 ₹1. The Floor Price, Cap Price and Offer Price (determined by our Company and the Promoter Selling Shareholders 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 105 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 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 36.

COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and 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. Further, each of the Selling Shareholders, severally and not jointly, accepts responsibility for and confirms only statements expressly made by such Selling Shareholder in this Draft Red Herring Prospectus solely in relation to itself and its 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.

LISTING

The Equity Shares 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 letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance under Section 26(4) and Section 32 of the Companies Act. For details of the material contracts and documents 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 543.

BOOK RUNNING LEAD MANAGERS

REGISTRAR TO THE OFFER

					
Kotak Mahindra Capital Company Limited 1 st Floor, 27 BKC, Plot No. 27 G Block, Bandra Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India Tel: +91 22 4336 0000 E-mail: macleods.ipo@kotak.com Website: www.investmentbank.kotak.com Investor Grievance ID: kmcrcdres@kotak.com Contact Person: Ganesh Rane SEBI Registration No.: INM000008704	Citigroup Global Markets India Private Limited 1202, First International Financial Center Bandra Kurla Complex, Bandra (East), Mumbai 400 098 Maharashtra, India Tel: +91 22 6175 9999 E-mail: macleodspharma.ipo@citi.com Website: www.online.citibank.co.in Investor Grievance ID: investors.cgmib@citi.com Contact Person: Keshav Tawari SEBI Registration No: INM000010718	Edelweiss Financial Services Limited 6 th Floor, Edelweiss House Off C.S.T. Road, Kalina Mumbai 400 098 Maharashtra, India Tel: +91 22 4009 4400 E-mail: macleods.ipo@edelweissfin.com Investor Grievance E-mail: customerservice.mb@edelweissfin.co m Website: www.edelweissfin.com Contact Person: Lokesh Shah SEBI Registration No.: INM0000010650	ICICI Securities Limited ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025 Maharashtra, India Tel: +91 22 6807 7100 E-mail: macleods.ipo@icicisecurities.com Website: www.icicisecurities.com Investor Grievance ID: customercare@icicisecurities.com Contact Person: Sameer Purohit/Gaurav Mittal SEBI Registration Number: INM000011179	Nomura Financial Advisory and Securities (India) Private Limited Ceejay House, Level 11 Plot F, Shivsagar Estate, Dr. Annie Besant Road, Worli Mumbai - 400 018 Maharashtra, India Tel: +91 22 4037 4037 E-mail: macleodspharmaipo@nomura.com Investor Grievance E-mail: investorgrievances-in@nomura.com Website: www.nomuraholdings.com/company/grou p/asia/india/index.html Contact Person: Vishal Kanjani/ Chirag Shah SEBI Registration No.: INM000011419	Kfin Technologies Private Limited (formerly known as Karvy Fintech Private Limited) Selenium, Tower B, Plot No. - 31 and 32 Financial District Nanakramguda, Serilingampally Hyderabad, Rangareddy 500 032 Telangana, India Tel: +91 40 6716 2222 E-mail: mpl.ipo@kfinetech.com Website: www.kfinetech.com Investor Grievance ID: einward.ris@kfinetech.com Contact Person: M Murali Krishna SEBI Registration Number: INR000000221

BID/OFFER PROGRAMME

BID/OFFER OPENS ON*

[●]

BID/OFFER CLOSES ON**

[●]

* Our Company and the Promoter Selling Shareholders shall, in consultation with the Book Running Lead Managers, 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 and the Promoter Selling Shareholders shall, in consultation with the Book Running Lead Managers, 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.

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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, directions, guidelines, circulars, notifications, clarifications or policies shall be to such legislations, acts, regulations, rules, guidelines 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, SEBI Listing Regulations, the Companies Act, the SCRA, and the Depositories Act and the rules and regulations made thereunder.

The terms not defined herein but used in “Basis of Offer Price”, “Statement of Special Tax Benefits”, “Industry Overview”, “Key Regulations and Policies in India”, , “History and Certain Corporate Matters”, “Our Group Companies”, “Restated Consolidated Financial Information”, “Pro forma Consolidated Financial Information”, “Outstanding Litigation and Material Developments”, “Offer Procedure” and “Main Provisions of Articles of Association” on pages 105, 108, 122, 190, 199, 231, 235, 358, 436, 479 and 500, respectively, shall have the meanings ascribed to such terms in these respective sections.

General Terms

Term	Description
“our Company” or “the Issuer” or “the Company”	Macleods Pharmaceuticals Limited, a public limited company incorporated under the Companies Act, 1956 and having its Registered Office at 304, Atlanta Arcade, Marol Church Road, Andheri (East), Mumbai, 400059, Maharashtra, India
“we” or “us” or “our”	Unless the context otherwise indicates or implies, our Company together with our Subsidiaries and Associate Companies, on a consolidated basis as on the date of this Draft Red Herring Prospectus

Company Related Terms

Term	Description
AHPL	Agarwal Holdings Private Limited
Amendment Agreement	Amendment agreement dated February 14, 2022 to the shareholders’ agreement dated September 5, 2019, entered into by and among the Company, GLB Family Shareholders, BLB Family Shareholders and DRA Family Shareholders
“Articles of Association” or “AoA” or “Articles”	Articles of association of our Company, as amended
“Associate” “Associate Company(ies)”	Macleods Social Welfare Foundation, P.T. Sampharindo Retroviral Indonesia and Makmed LLC, Russia* * Makmed LLC, Russia was one of our Associate Companies until September 30, 2021 and has been disclosed as such in the Restated Consolidated Financial Information. As on the date of this Draft Red Herring Prospectus, our Company holds 100% shareholding in Makmed LLC, Russia and, therefore, Makmed LLC, Russia has been classified as one of our Subsidiaries.
Audit Committee	Audit committee of our Board, as described in “Our Management – Committees of the Board” on page 217
BLB Family Shareholders	Banwarilal Bawri, Sudha Bawri, Prateek Agarwal and Anushree Agarwal
Board” or “Board of Directors”	Board of Directors of our Company
Chairman	Non-executive chairman of our Board, namely, Dr. Mihir Shah
“Chief Financial Officer” or “CFO”	Chief financial officer of our Company, namely, Patri Venkat Raghavendra Rao
Committee(s)	Duly constituted committee(s) of our Board of Directors
Company Secretary and Compliance officer	Company Secretary and Compliance officer of our Company, namely, Siddhesh Mahadeo Rane

Term	Description
Corporate Office	501-503, “A” Wing, Everest Grande, Shanti Nagar Mahakali Caves Road, Andheri (East), Mumbai, 400093, Maharashtra, India
“Corporate Social Responsibility Committee” or “CSR Committee”	Corporate social responsibility committee of our Board, as described in “ <i>Our Management – Committees of the Board</i> ” on page 217
Director(s)	Director(s) on the Board
DRA Family Shareholders	Dr. Rajendra Agarwal, Anju Agarwal, Dr. Ruchi Agarwal and Gauri Agarwal
EWCP	East and West Clothing Private Limited
Equity Shares	The equity shares of our Company bearing face value of ₹1 each
ESOP Scheme	Macleods Pharmaceuticals Limited – Employees Stock Option Plan 2022
Executive Director	Executive directors of our Company. For details, see “ <i>Our Management</i> ” on page 210
Founder Executive Director	Girdharilal Bawri
Founder Joint Managing Director	Banwarilal Bawri
Founder Managing Director	Dr. Rajendra Agarwal
GLB Family Shareholders	Girdharilal Bawri, Taradevi Bawri, Vijay Agarwal, Ajay Agarwal and Shalini Kedia
Group Companies	The group companies of our Company in accordance with the SEBI ICDR Regulations. For details, see “ <i>Group Companies</i> ” on page 231
Independent Director(s)	Independent director(s) of our Board. For details of the Independent Directors, see “ <i>Our Management</i> ” on page 210
Inter-se Agreement	Inter-se agreement dated February 14, 2022 entered into by and among GLB Family Shareholders, BLB Family Shareholders and DRA Family Shareholders
IPO Committee	The IPO committee of our Board
“Joint Statutory Auditors” and “Statutory Auditors”	B.A.K.D. and Co. and Walker Chandiok & Co LLP, the joint statutory auditors of our Company
Key Managerial Personnel	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, as described in “ <i>Our Management – Key Managerial Personnel</i> ” on page 223
LFCPL	Lance Financial Consultants Private Limited
Makmed	Makmed LLC
“Material Subsidiary” and “MPU”	Macleods Pharma USA, Inc.
“Memorandum of Association” or “MoA”	Memorandum of association of our Company, as amended
MLPL	Macleods Laboratories Private Limited* * MLPL had made an application to the Central Registration Centre for the change in name from “Macleods Laboratories Private Limited” and has received a letter dated January 17, 2022 stating no objection in availability of changed name from the Office of the Registrar of Companies, Ministry of Corporate Affairs. However, MLPL is in the process of obtaining the approval in that regard..
MPESS	Macleods Pharma Espana SLU
MPLLC	Macleods Pharmaceuticals Limited, LLC
MPPI	Macleods Pharmaceuticals Philippines Inc
MPSA	Macleods Pharmaceuticals SA (Pty) Ltd
MPSB	Macleods Pharmaceuticals Sdn. Bhd.
MPUK	Macleods Pharma UK Limited
MSWF	Macleods Social Welfare Foundation
“Nomination, Remuneration and Compensation Committee” or “NRC Committee”	Nomination, remuneration and compensation committee of our Board, as described in “ <i>Our Management – Committees of the Board</i> ” on page 217
Non-Executive Directors	The non-executive directors (other than Independent Directors) of our Company in terms of the Companies Act, and the rules notified thereunder, as set out in “ <i>Our Management</i> ” on page 210
Oxus	Oxus Pharma Limited

Term	Description
Pro Forma Consolidated Financial Information	The pro forma consolidated financial information of our Company, along with our Subsidiaries and Associates, comprising of pro forma consolidated balance sheet as at September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019, the pro forma consolidated statement of profit and loss for the six months period ended September 30, 2021 and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 and related notes thereon, to illustrate the impact of a proposed demerger of investment division as set out in “Basis of preparation” section of the Pro Forma Consolidated Financial Information, on financial position of our Company, Subsidiaries and Associate as at September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019 and its financial performance for the period/years ended September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019 as if the demerger had taken place at April 1, 2018, i.e. beginning of the earliest period presented.
Promoter Group(s)	The individuals and the entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as described in “Our Promoter and Promoter Group” on page 227
Promoters	Promoters of our Company, being, Girdharilal Bawri, Banwarilal Bawri and Dr. Rajendra Agarwal
PTSRI	PT Sampharindo Retroviral Indonesia
Registered Office	304, Atlanta Arcade, Marol Church Road, Andheri (East), Mumbai, 400059, Maharashtra, India
“Registrar of Companies” or “RoC”	Registrar of Companies, Maharashtra at Mumbai
Restated Consolidated Financial Information	The restated consolidated financial information of our Company, along with our Subsidiaries and Associates comprising of the restated consolidated statement of assets and liabilities as at September 30, 2021 and as at March 31, 2021, March 31, 2020 and March 31, 2019 and the restated consolidated statements of profits and losses (including other comprehensive income), the restated consolidated statement of changes in equity and the restated consolidated cash flow statement for six months ended September 30, 2021 and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019, the summary statement of significant accounting policies, and other explanatory information prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, SEBI ICDR Regulations and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by ICAI, as amended from time to time
Risk Management Committee	Risk management committee of our Board, as described in “Our Management – Committees of the Board” on page 217
Scheme of Demerger	The scheme of arrangement as filed by our Company with NCLT, for the demerger of the investment business undertaking of our Company and vesting of the same in Agarwal Holdings Private Limited, as sanctioned by the NCLT pursuant to its order dated December 23, 2021. <i>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 201.</i>
Shareholder(s)	Equity shareholder(s) of our Company from time to time
Shareholders’ Agreement	Shareholders’ agreement dated September 5, 2019 entered into by and among the Company, Girdharilal Bawri, Taradevi Bawri, Vijay Agarwal, Ajay Agarwal, Shalini Kedia, Banwarilal Bawri, Sudha Bawri, Prateek Agarwal, Anushree Agarwal, and Dr. Rajendra Agarwal, Anju Agarwal, Dr. Ruchi Agarwal, Gauri Agarwal.
Stakeholders’ Relationship Committee	Stakeholders’ relationship committee of our Board, as described in “Our Management – Committees of the Board” on page 217
Subsidiaries	The subsidiaries of our Company as described in “History and Certain Corporate Matters – Our Subsidiaries” on page 203

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

Term	Description
Allot, Allotment or Allotted	Unless the context otherwise requires, transfer of the Equity Shares by Selling Shareholders pursuant to the Offer to the successful Bidders
Allotment Advice	A note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, 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, which will be decided by our Company and the Promoter Selling Shareholders, 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 and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Anchor Investor Bidding Date	The day, being 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 and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers
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 and the Promoter Selling Shareholders, 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, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
“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 RIBs 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 specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a Retail Individual 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 Retail Individual Investor Bidding through the UPI Mechanism
ASBA Bidders	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
Banker(s) to the Offer	Collectively, the Escrow Collection Bank, Refund Bank, Public Offer Bank and Sponsor Bank
Basis of Allotment	The basis on which Equity Shares will be Allotted to successful Bidders under the Offer. For details, see “Offer Procedure” on page 479
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the Bidder, as the case

Term	Description
	may be, upon submission of the Bid which shall be net of the Employee Discount, as applicable. However, Eligible Employees applying in the Employee Reservation Portion can apply at the Cut-off Price and the Bid amount shall be Cap Price net of Net Employee Discount, multiplied by the number of Equity Shares Bid for by such Eligible Employee and 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(s)	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/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, being [●], which shall be notified in all editions of English national daily newspaper, [●], all editions of Hindi national daily newspaper, [●] and Mumbai editions of the Marathi daily newspaper [●] (Marathi being the regional language of Maharashtra, where our Registered Office is located). In case of any revisions, the extended Bid/ Offer Closing Date will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the websites of the Book Running Lead Managers and at the terminals of the other members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank Our Company and the Promoter Selling Shareholders, 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
Bid/Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●]
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 and the Promoter Selling Shareholders, 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/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
“Book Running Lead Managers” or “BRLMs”	The book running lead managers to the Offer namely, Kotak Mahindra Capital Company Limited, Citigroup Global Markets India Private Limited, Edelweiss Financial Services Limited, ICICI Securities Limited and Nomura Financial Advisory and Securities (India) Private Limited
Broker Centres	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)

Term	Description
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 atleast 105% of the Floor Price.
Client ID	The client identification number maintained with one of the Depositories in relation to demat 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
“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, on or after the Anchor Investor Bid/Offer Period
Cut-off Price	The Offer Price finalised by our Company and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers which shall be any price within the Price Band Only Retail Individual Bidders Bidding in the Retail Portion and Eligible Employees under the Employee Reservation Portion 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)
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 RIBs using UPI Mechanism, instruction issued through the Sponsor Bank) 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 Bidding in the Retail Portion and Eligible Employees Bidding in the Employee Reservation Portion (not using the 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 RIBs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RIB using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders, 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. 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	[●]

Term	Description
“Draft Red Herring Prospectus” or “DRHP”	This draft red herring prospectus dated February 15, 2022 filed with SEBI and 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 Employee	All or any of the following: (a) a permanent employee of our Company or any of its Subsidiaries, working in or outside India (excluding such employees who are not eligible to invest in the Offer under applicable laws of the jurisdictions other than India) as of the date of filing of the Red Herring Prospectus with the RoC and who continues to be a permanent employee of our Company or any of its Subsidiaries, until the submission of the Bid cum Application Form; and (b) a Director of our Company or any of its Subsidiaries, whether whole time or not, who is eligible to apply under the Employee Reservation Portion under applicable law as on the date of filing of the Red Herring Prospectus with the RoC and who continues to be a Director of our Company or any of its Subsidiaries, until the submission of the Bid cum Application Form, but not including (i) Promoters; (ii) persons belonging to the Promoter Group; and (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 (net of Employee Discount). 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 (net of Employee Discount, if any)
Eligible FPI(s)	FPI(s) that are eligible to participate in the Offer in terms of applicable law and 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 purchase the Equity Shares
Eligible NRI(s)	NRI(s) eligible to invest under Schedule 3 and Schedule 4 of the FEMA 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 purchase the Equity Shares
Employee Discount	Discount of up to [●]% to the Offer Price (equivalent of ₹[●] per Equity Share) which may be offered to Eligible Employees, as may be decided by our Company and the Promoter Selling Shareholders in consultation with the Book Running Lead Managers, bidding in the Employee Reservation Portion in accordance with the SEBI ICDR Regulations and details of which will be announced at least two Working Days prior to the Bid / Offer Opening Date
Employee Reservation Portion	The portion of the Offer being up to [●] Equity Shares, aggregating to ₹[●] available for allocation to Eligible Employees, on a proportionate basis. Such portion shall not exceed 5% of the post-Offer Equity Share capital of the Company. Further, a discount of up to [●]% to the Offer Price (equivalent of ₹[●] per Equity Share) may be offered to Eligible Employees, bidding in the Employee Reservation Portion in accordance with the SEBI ICDR Regulations and details of which will be announced at least two Working Days prior to the Bid / Offer Opening Date
Escrow Account(s)	The ‘no-lien’ and ‘non-interest bearing’ account(s) 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 and Sponsor Bank Agreement	The escrow and sponsor bank agreement dated [●], to be entered into between 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, <i>inter alia</i> , 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
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 will be opened, in this case being, [●]
First Bidder/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

Term	Description
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	Fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
“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 and the UPI Circulars. The General Information Document shall be available on the websites of the Stock Exchanges, and the Book Running Lead Managers
Materiality Policy	The policy adopted by our Board on February 3, 2022, 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
Mutual Fund Portion	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
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Offer	The Offer less the Employee Reservation Portion
Net Proceeds	Proceeds of the Offer less Offer expenses. For details in relation to use of the Net Proceeds and the Offer expenses, see “Objects of the Offer” on page 103
Net QIB Portion	The portion of 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, RIBs or Eligible Employees Bidding in the Employee Reservation Portion or Eligible Employees Bidding in the Employee Reservation Portion 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 less than 15% of the Net Offer comprising [●] Equity Shares which shall be available for allocation on a proportionate basis or any other manner as introduced in accordance with applicable laws, to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price
Non-Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
“Non-Resident Indians” or “NRI(s)”	A non-resident Indian as defined under the FEMA Rules
Offer / Offer for Sale	The initial public offer of up to 60,482,040 Equity Shares for cash at a price of ₹[●] each, aggregating up to ₹[●] million, comprising an Offer for Sale of up to 6,370,275 Equity Shares aggregating up to ₹[●] million by Girdharilal Bawri, up to 8,955,582 Equity Shares aggregating up to ₹[●] million by Banwarilal Bawri and up to 5,280,514 Equity Shares aggregating up to ₹[●] million by Dr. Rajendra Agarwal, up to 7,630,901 Equity Shares aggregating up to ₹[●] million by Prateek Agarwal, up to 6,582,955 Equity Shares aggregating up to ₹[●] million by Ajay Agarwal, up to 6,313,461 Equity Shares aggregating up to ₹[●] million by Vijay Agarwal, up to 4,933,239 Equity Shares aggregating up to ₹[●] million by Anju Agarwal, up to 4,893,242 Equity Shares aggregating up to ₹[●] million by Gauri Agarwal, up to 4,851,700 Equity Shares aggregating up to ₹[●] million by Dr. Ruchi Agarwal, up to 2,678,815 Equity Shares aggregating up to ₹[●] million by Sudha Bawri, up to 805,996 Equity Shares aggregating up to ₹[●] million by Shalini Kedia, up to 694,490 Equity Shares aggregating up to ₹[●] million by Anushree Agarwal and up to 490,870 Equity Shares aggregating up to ₹[●] million by Taradevi Bawri. The Offer comprises the Net Offer and Employee Reservation Portion
Offer Agreement	The offer agreement dated February 15, 2022 entered into between our Company, the Selling Shareholders, and the Book Running Lead Managers, pursuant to which certain arrangements are agreed upon in relation to the Offer
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.

Term	Description
	The Offer Price will be decided by our Company and the Promoter Selling Shareholders in consultation with the Book Running Lead Managers on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus. A discount of up to [●]% to the Offer Price (equivalent of ₹[●] per Equity Share) may be offered to Eligible Employees bidding in the Employee Reservation Portion. This Employee Discount, if any, will be decided by our Company and the Promoter Selling Shareholders in consultation with the Book Running Lead Managers.
Offered Shares	Up to 60,482,040 Equity Shares aggregating to ₹[●] million offered by the Selling Shareholders in the Offer for Sale
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, Employee Discount and the minimum Bid Lot for the Offer will be decided by our Company and the Promoter Selling Shareholders in consultation with the Book Running Lead Managers and will be advertised in all editions of English national daily newspaper, [●], all editions of Hindi national daily newspaper, [●] and Mumbai editions of the Marathi daily newspaper [●] (Marathi being the regional language of Maharashtra, where our registered office is located), 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 and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers, will finalise the Offer Price
Promoter Group Selling Shareholders	Prateek Agarwal, Ajay Agarwal, Vijay Agarwal, Anju Agarwal, Gauri Agarwal, Dr. Ruchi Agarwal, Sudha Bawri, Shalini Kedia, Anushree Agarwal and Taradevi Bawri
Promoter Selling Shareholders	Girdharilal Bawri, Banwarilal Bawri and Dr. Rajendra Agarwal
Prospectus	The prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, and the SEBI ICDR Regulations containing, <i>inter alia</i> , 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, with the Public Offer Bank to receive monies from the Escrow Account and the ASBA Accounts on the Designated Date
Public Offer 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 more than 50% of the Net Offer comprising [●] Equity Shares which shall be allocated to QIBs (including Anchor Investors), subject to valid Bids being received at or above the Offer Price
"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 Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid / Offer Opening Date and will become the Prospectus upon filing with the RoC 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 with whom the Refund Account(s) will be opened, in this case being [●]
Registered Brokers	The stockbrokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids

Term	Description
Registrar Agreement	Registrar agreement dated February 14, 2022 entered into between 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”	KFin Technologies Private Limited
“Retail Individual Bidder(s)” or “Retail Individual Investor(s)” or “RII(s)” or “RIB(s)”	Individual Bidders submitting Bids, 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	The portion of the Offer being not less than 35% of the Net Offer comprising [●] Equity Shares, which shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, 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 or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion 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
SEBI SCORES	Securities and Exchange Board of India Complaints Redress System
“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
Selling Shareholders	Collectively, the Promoter Selling Shareholders and the Promoter Group Selling Shareholders
Share Escrow Agent	The share escrow agent to be appointed pursuant to the Share Escrow Agreement namely, [●]
Share Escrow Agreement	Share escrow agreement to be entered into between 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 for the purposes of 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 Banks	[●], [●], [●] and [●] being Bankers to the Offer registered with SEBI, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the RIBs using the UPI Mechanism, in terms of the UPI Circulars
Syndicate Agreement	Syndicate agreement to be entered into between 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 Member(s)	Intermediaries (other than the Book Running Lead Managers) registered with SEBI who are permitted to accept bids, applications and place order with respect to the Offer, namely [●]
“Syndicate” or “members of the Syndicate”	The Book Running Lead Managers and the Syndicate Members
Underwriters	[●]
Underwriting Agreement	Underwriting agreement to be entered into between our Company, the Selling Shareholders and the Underwriters, on or after the Pricing Date, but prior to filing the Prospectus with the RoC

Term	Description
UPI	Unified payments interface which is an instant payment mechanism, developed by NPCI
UPI Circulars	SEBI circular no. CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, 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 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 RIB by way of a notification on the UPI application and by way of a SMS for directing the RIB to such UPI mobile application) to the RIB initiated by the Sponsor Bank 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 RIBs submitted with intermediaries with UPI as mode of payment, in terms of the UPI Circulars
Wilful Defaulter	A company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI
Working Day	All days on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Offer Closing Date and the 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, as per circulars issued by SEBI, including the UPI Circulars

Technical, Industry Related Terms or Abbreviations

Term	Description
ACT	Artemisinin Combination Therapy for Malaria
ANDA	Abbreviated new drug applications
ANZ	Australia and New Zealand
APIs	Active pharmaceutical ingredients
ARV	Antiretroviral
ATC	Anatomical therapeutic chemical classifications
BCS Class II	Biopharmaceutics classification system class II
CAGR	Compounded Annual Growth Rate (as a %): $(\text{End Year Value} / \text{Base Year Value})^{1/\text{No. of years between Base year and End year}} - 1$ [^ denotes 'raised to']
Capital Employed	Capital Employed is defined as the sum of fixed assets, other intangibles, goodwill, inventories and trade receivables, less trade payables
CIS	Commonwealth of Independent States
Covered Market/ CVM	All anatomical therapeutic chemical classifications where our Company had Domestic Sales of more than ₹ 5 million in Fiscal 2021
DMF	Drug master file
Domestic Sales	MAT / sales for a period calculated on a monthly rolling basis, as recorded by IQVIA in India
DPI	Dry powder inhalers
DSIR	Department of Scientific & Industrial Research, Ministry of Science and Technology, Government of India
EBIT	Earnings before interest and tax, calculated as profit before tax less other income, plus finance costs

Term	Description
EBITDA	Earnings before interest, tax, depreciation and amortization, calculated as profit before tax less other income, plus depreciation and amortization and finance costs
EBITDA Margin	EBITDA Margin is the percentage of EBITDA divided by revenue from operations
ECL	Expected credit loss
EDQM	European Directorate for the Quality of Medicines
Fixed Asset Turnover	Fixed Asset Turnover is calculated as revenue from operations divided by average fixed assets
FVTOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
GMP	Good manufacturing practices
GST	Goods and services tax
HIV	Human Immunodeficiency Virus
IP	Intellectual property
IPM	Indian pharmaceutical market
IQVIA	IQVIA Consulting and Information Services India Private Limited
IQVIA Dataset	IQVIA Data as commissioned by our Company in connection with the Offer and provided by IQVIA pursuant to their consent letter dated February 9, 2022
IQVIA Report	The report titled “Industry Overview” dated January 25, 2022, prepared by IQVIA and commissioned by our Company in connection with the Offer
IT	Information technology
Kenyan PPB	Ministry of Health, Pharmacy and Poisons Board, Republic of Kenya
KSM	Key starting materials
LATAM	Latin America
MAT	Moving annual total i.e. value sales of 12 months e.g. MAT March 2021 covers April 2020 to March 2021, as defined by IQVIA
MDI	Metered dose inhaler
MENA	Middle East/North Africa
Metros	Metros comprise 30 cities combined (i.e., cities with a population of more than 1 million as per the 2011 Census)
MHRA	U.K. Medicines and Healthcare Products Regulatory Agency
MOH, Malaysia	The Ministry of Health, Malaysia
Molecular market	Molecular market contains All ATC-4s combined in which the mentioned brand is present- as defined by IQVIA
NABL	The National Accreditation Board for Testing and Calibration Laboratories
NDDS	Novel drug delivery system
NLEM	National List of Essential Medicines 2011
Non-Metros	All remaining town classes (population <10 Lacs as per 2011 Census), as defined by IQVIA
NPPA	National Pharmaceutical Pricing Authority
OHA	Oral hypoglycemic agent
PAT	Profit after tax for the year/ period
PAT Margin	PAT as a percentage of revenue from operations
Peers	Nine other Indian-headquartered pharmaceutical companies identified by IQVIA, namely, Sun, Cipla, Alkem, Lupin Limited, Torrent Pharma, Zydus Cadila, Dr Reddys Labs, IPCA Labs and Eris Lifesciences
PLI Scheme	Production-linked incentive scheme launched by the Department of Pharmaceuticals, Indian Ministry of Chemicals and Fertilisers
Prescription Share	Proportion of Domestic Sales attributable to prescription of our branded generics by medical practitioners in the IPM

Term	Description
R&D	Research and development
“ROCE” or “Return on Capital Employed”	ROCE (pre-tax) is defined as EBIT divided by average Capital Employed
ROE	ROE is defined as profit for the period divided by average tangible net worth. Tangible net worth being total equity less goodwill on consolidation, intangible assets and intangible assets under development at the end of the period
SAPHRA	South African Health Products Regulatory Authority
SEZ	Special economic zone
Standard Units	The number of standard ‘dose’ units sold. It is determined by taking the number of counting units sold divided by the standard unit factor which is the smallest common dose of a product form as defined by IQVIA. Use when comparing products and packs with different forms.
TB	Tuberculosis
USFDA	United States Food and Drug Administration
Value	Value sales at PTR (Price to Retailer), as defined by IQVIA
WHO	World Health Organization
WHO PQs	WHO provisional qualification

Conventional and General Terms or Abbreviations

Term	Description
“₹” or “Rs.” or “Rupees” or “INR”	Indian Rupees
“AS” or “Accounting Standards”	Accounting standards issued by the ICAI
“Bn” or “bn”	Billion
BSE	BSE Limited
CAGR	Compound annual growth rate
Category I AIF	AIFs who are registered as “Category I 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 AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
Category II FPIs	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
“Companies Act” or “Companies Act, 2013”	Companies Act, 2013, as applicable, along with the relevant rules, regulations, clarifications and modifications made thereunder
Consolidated FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT under DPIIT File Number 5(2)/2020-FDI Policy dated the October 15, 2020, effective from October 15, 2020
Depositories	Together, NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant’s Identification
“DP” or “Depository Participant”	A depository participant as defined under the Depositories Act

Term	Description
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (<i>formerly known as Department of Industrial Policy and Promotion</i>)
EGM	Extraordinary general meeting
EPS	Earnings per share
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
“Financial Year” or “Fiscal” or “Fiscal Year” or “FY”	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FPI	Foreign portfolio investors as defined under the SEBI FPI Regulations
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
“GoI” or “Government” or “Central Government”	Government of India
GST	Goods and services tax
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act	The Income-tax Act, 1961
Ind AS	Indian Accounting Standards notified under Section 133 of the Companies Act and referred to in the Companies (Indian Accounting Standards) Rules, 2015
India	Republic of India
“Indian GAAP/IGAAP”	Accounting Standards notified under Section 133 of the Companies Act and referred to in the Companies (Accounting Standards) Rules, 2014
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IST	Indian Standard Time
IT	Information Technology
IT Act	The Information Technology Act, 2000
KYC	Know Your Customer
MCA	Ministry of Corporate Affairs, Government of India
“Mn” or “mn”	Million
NACH	National Automated Clearing House
National Investment Fund	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India
NAV	Net Asset Value
NBFC	Non-Banking Financial Companies
NCLT	National Company Law Tribunal, Mumbai Bench - Court 5
NEFT	National Electronic Fund Transfer
Negotiable Instruments Act	The Negotiable Instruments Act, 1881
NPCI	National Payments Corporation of India
NRE	Non- Resident External
NRI	An individual resident outside India, who is a citizen of India.
NRO	Non-Resident Ordinary
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

Term	Description
	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
P/E Ratio	Price to Earnings Ratio
PAN	Permanent Account Number
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Mutual Fund Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
STT	Securities Transaction Tax
Systemically Important NBFC or NBFC-SI	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
TAN	Tax deduction account number
U.S. Securities Act	U.S. Securities Act of 1933, as amended
“U.S.” or “USA” or “United States”	United States of America including its territories and possessions, any State of the United States, and the District of Columbia
“U.S.” or “USA” or “United States”	United States of America
“USD” or “US\$”	United States Dollars
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be

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 the disclosures in this Draft Red Herring Prospectus or all details relevant to 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 “Risk Factors”, “The Offer”, “Capital Structure”, “Objects of the Offer”, “Industry Overview”, “Our Business”, “Outstanding Litigation and Material Developments”, “Offer Procedure” and “Main Provisions of Articles of Association” on pages 36, 70, 87, 103, 122, 158, 436, 479, and 500, respectively.

Primary Business of our Company

Established in 1989, we are one of the leading, organically grown, wholly Promoter Group-owned, vertically integrated, global pharmaceutical companies based in India. We are engaged in developing, manufacturing, and marketing a wide range of formulations across several major therapeutic areas including anti-infectives, cardiovascular, anti-diabetic, dermatology, and hormone treatment. We have an extensive global presence across developed and emerging markets such as North America, Europe, Africa, Asia, South America, and the Commonwealth of Independent States. Our operations are supported by eight manufacturing units, and six DSIR-approved R&D centers in India with another two R&D centers either being recently commissioned or upcoming.

Industry in which our Company Operates

The global formulation market was estimated at US\$ 1,245 billion in CY21, expected to grow at a CAGR of 4.5-5% to US\$ 1,550-1,600 billion by CY26. Growth is largely attributed to the launch of novel therapies, expansion of existing therapies, growing demand for branded generic medicines, biologics, and accelerated demand for effective treatments and drugs. The size of the Indian Pharmaceutical Market (IPM) has increased at a CAGR of approximately 11% from ₹ 483 billion in Fiscal 2011 to ₹ 1,343 billion in Fiscal 2021 and is expected to grow at a CAGR of 10-11% to ₹ 2,150 – 2,260 billion by Fiscal 2026. (Source: IQVIA Report)

Our Promoters

Our Promoters are Girdharilal Bawri, Banwarilal Bawri, and Dr. Rajendra Agarwal. For details, see “Our Promoters and Promoter Group” on page 227.

Offer Size

The following table summarizes the details of the Offer. For further details, see “The Offer” and “Offer Structure” on pages 70 and 475, respectively.

Offer of Equity Shares by way of the Offer for Sale (1)(2)	Up to 60,482,040 Equity Shares for cash at a price of ₹[●] each, aggregating up to ₹[●] million, by the Selling Shareholders.
Employee Reservation Portion	Up to [●] Equity Shares for cash at a price of ₹[●] each, aggregating up to ₹[●] million
Net Offer	Up to [●] Equity Shares for cash at a price of ₹[●] each, aggregating up to ₹[●] million

(1) The Offer has been authorized by a resolution of our Board dated February 3, 2022.

(2) The Equity Shares being offered by the Selling Shareholders are eligible for being offered for sale in terms of the SEBI ICDR Regulations. Each of the Selling Shareholders has authorized the sale of its respective portion of the Offered Shares. For details on the authorisation of the Selling Shareholders in relation to the Offered Shares, see “Other Regulatory and Statutory Disclosures” on page 446.

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

The above table summarises the details of the Offer. For further details of the offer, see “The Offer” and “Offer Structure” on pages 70 and 475, respectively.

Objects of the Offer

The Selling Shareholders will be entitled to the entire proceeds of the Offer after deducting the Offer expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer. The objects of the Offer are to (i) achieve the benefits of listing the Equity Shares on the Stock Exchanges; and (ii) carry out the Offer for

Sale of up to 60,482,040 Equity Shares by the Selling Shareholders. For further details, see “Objects of the Offer” on page 103.

Aggregate pre-Offer shareholding of our Promoters and members of the Promoter Group (also the Selling Shareholders)

Category of Shareholders	No. of Equity Shares	% of total paid up Equity Share capital
Promoters*		
Girdharilal Bawri	63,070,800	10.53
Banwarilal Bawri	88,667,400	14.81
Dr. Rajendra Agarwal	52,281,300	8.73
Sub-Total (A)	204,019,500	34.07
Promoter Group* (other than the Promoters)		
Prateek Agarwal	75,552,000	12.62
Ajay Agarwal	65,176,500	10.88
Vijay Agarwal	62,508,300	10.44
Anju Agarwal	48,843,000	8.16
Gauri Agarwal	48,447,000	8.09
Dr. Ruchi Agarwal	48,035,700	8.02
Sudha Bawri	26,522,400	4.43
Shalini Kedia	7,980,000	1.33
Anushree Agarwal	6,876,000	1.15
Taradevi Bawri	4,860,000	0.81
Sub-Total (B)	394,800,900	65.93
Total (A+B)	598,820,400	100.00

* Also the Selling Shareholders.

For further details of the offer, see “Capital Structure” on page 87.

Summary of Restated Consolidated Financial Information

The following details of our Equity Share capital, total equity, net asset value per Equity Share, net worth for equity Shareholders, return of net worth for equity Shareholders and total borrowings as at September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019 and total income, restated profit after tax and earnings per Equity Share (basic and diluted) for six months ended September 30, 2021 and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 are derived from the Restated Consolidated Financial Information.

(in ₹ million, unless otherwise stated)

Particulars	As at and for the six months ended September 30, 2021	As at and for the Financial Year ended March 31, 2021	As at and for the Financial Year ended March 31, 2020	As at and for the Financial Year ended March 31, 2019
Equity Share capital [#]	199.61	199.61	199.61	199.61
Net worth	44,131.39	37,947.74	75,666.37	60,142.76
Total income	40,937.01	77,494.84	72,621.33	63,128.98
Restated Profit after tax attributable to Owners	6,325.65	20,206.04	15,675.43	14,205.23
Restated profit after tax for the period/year	6,380.51	20,228.44	15,721.15	14,234.57
Basic earnings per share (Face Value of ₹1/- each) \$ (in ₹)	10.56	33.74	26.18	23.72
Diluted earnings per share (Face Value of ₹1/- each) \$ (in ₹)	10.56	33.74	26.18	23.72
Return on net worth for equity shareholders (%)	14.46%	53.31%	20.78%	23.67%
Net Asset Value per Equity Share (in ₹)	73.70	63.37	126.36	100.44
Total borrowings (as per balance sheet)	464.30	797.17	360.68	1,318.55

[#] Pursuant to a resolution passed by our Board on September 27, 2021 and a resolution passed by the Shareholders dated November 15, 2021, each equity share of face value of ₹10 each has been split into 10 equity shares of face value of ₹1 each. Accordingly, the issued, subscribed and paid up capital of our Company was sub-divided from 19,960,680 equity shares of face value of ₹10 each to 199,606,800 equity shares of face value of ₹1 each. Sub-division of equity shares is retrospectively considered for the computation of EPS in accordance with Ind AS 33 for all periods presented and for the computation of Net Asset Value per share for all periods presented.

^{\$} The Board of Directors pursuant to a resolution dated November 15, 2021 and the Shareholders pursuant to a special resolution dated November 29, 2021 have approved the issuance of 399,213,600 bonus Equity Shares in the ratio of two Equity Shares for every one existing

fully paid up Equity Share, which were issued and allotted on January 18, 2022. Bonus Equity Shares are retrospectively considered for the computation of EPS in accordance with Indian Accounting Standard 33 ("Ind AS 33") for all periods presented and for the computation of Net Asset Value per share for all periods presented. As of the date of this draft red herring prospectus, 598,820,400 Equity Shares are outstanding.

Notes:

- A. The ratios have been computed as follows:
- Earning Per Share (Basic) = Restated net profit after tax and adjustments, available for equity shareholders/Weighted average number of equity shares outstanding during the period/year
 - Earning Per Share (Diluted) = Restated net profit after tax and adjustments, available for equity shareholders/Weighted average number of equity shares outstanding during the period/year
 - Return on Net worth (%) = Restated net profit after tax and adjustments / Restated net worth at the end of the period/year
 - Net Asset Value per Share (in ₹) = Restated net worth at the end of the period/year / Weighted number of equity shares outstanding at the end of the period/year
- B. Accounting and other ratios are derived from the Restated Consolidated Financial Information.
- C. Net worth for calculating ratios = Equity share capital + Other equity (including Securities premium, General reserve and Retained earnings) + Non-Controlling Interest
- D. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
- E. Earnings per share calculations are in accordance with Ind AS 33
- F. Basic and Diluted EPS and Return on net worth numbers for the six months ended September 30, 2021 have not been annualised.

Summary of Pro Forma Financial Information

The following details of our Equity Share capital, total equity, net asset value per Equity Share, net worth for equity Shareholders, return of net worth for equity Shareholders and total borrowings as at September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019 and total income, pro forma profit after tax and earnings per Equity Share (basic and diluted) for six months ended September 30, 2021 and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 are derived from our Pro Forma Consolidated Financial Information.

(in ₹ million, unless otherwise stated)

Particulars	As at and for the six months ended September 30, 2021	As at and for the Financial Year ended March 31, 2021	As at and for the Financial Year ended March 31, 2020	As at and for the Financial Year ended March 31, 2019
Equity Share capital [#]	199.61	199.61	199.61	199.61
Net worth	68,164.69	61,981.04	45,818.58	31,404.17
Total income	40,937.01	72,836.83	70,049.93	59,103.81
Pro forma profit after tax for the period/year attributable to Owners	6,325.65	16,284.78	14,566.23	11,891.96
Basic earnings per share (Face Value of ₹1/- each) [#] (in ₹)	10.56	27.19	24.32	19.86
Diluted earnings per share (Face Value of ₹1/- each) [#] (in ₹)	10.56	27.19	24.32	19.86
Total borrowings (as per balance sheet)	464.30	797.17	360.68	1,318.55

[#] Pursuant to a resolution passed by our Board on September 27, 2021 and a resolution passed by Shareholders dated November 15, 2021, each equity share of face value of ₹10 each has been split into 10 equity shares of face value of ₹1 each. Accordingly, the issued, subscribed and paid up capital of our Company was sub-divided from 19,960,680 equity shares of face value of ₹10 each to 199,606,800 equity shares of face value of ₹1 each. Sub-division of equity shares is retrospectively considered for the computation of EPS in accordance with Ind AS 33 for all periods presented.

⁵ The Board of Directors pursuant to a resolution dated November 15, 2021 and the Shareholders special resolution dated November 29, 2021 have approved the issuance of 399,213,600 bonus Equity Shares in the ratio of two Equity Shares for every one existing fully paid up Equity Share, which were issued and allotted on January 18, 2022. Bonus Equity Shares are retrospectively considered for the computation of EPS in accordance with Indian Accounting Standard 33 ("Ind AS 33") for all periods presented. As of the date of this draft red herring prospectus, 598,820,400 Equity Shares are outstanding.

Notes:

- A. The ratios have been computed as follows:
- Earning Per Share (Basic) = Pro forma net profit after tax and adjustments, available for equity shareholders/Weighted average number of equity shares outstanding during the period/year
 - Earning Per Share (Diluted) = Pro forma profit available for equity shareholders for the period/year / Weighted average number of diluted potential equity shares outstanding during the period/year
- B. Accounting and other ratios are derived from the Pro Forma Consolidated Financial Information.

- C. Net worth for calculating ratios = Equity share capital + Other equity (including securities premium, general reserve and retained earnings) + Non-Controlling Interest
- D. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
- E. Earnings per share calculations are in accordance with Ind AS 33
- F. Basic and Diluted EPS for the six months ended September 30, 2021 have not been annualised.

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

There are no qualifications included by the Statutory Auditors in their audit reports and hence no effect is required to be given in the Restated Consolidated Financial Information.

Summary of Outstanding Litigation

A summary of outstanding litigation proceedings as on the date of this Draft Red Herring Prospectus as disclosed in the section titled “*Outstanding Litigation and Other Material Developments*” in terms of the SEBI ICDR Regulations 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 the Company	117	11	N.A.	N.A.	1	2,110.05
Against the Company	1	19	4	N.A.	1	297.24
Directors*						
By our Directors	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Against the Directors	1	N.A.	3	N.A.	N.A.	N.A.
Promoters						
By Promoters	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Against Promoters	1	N.A.	3	N.A.	N.A.	N.A.
Subsidiaries						
By subsidiaries	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Against Subsidiaries	N.A.	1	N.A.	N.A.	1	Nil

^to the extent quantifiable.

* The litigations involving Directors do not include litigations involving our Promoters who are also Directors on the Board of our Company.

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

For further details of the outstanding litigation proceedings, see “*Outstanding Litigation and Material Developments*” on page 436.

Risk Factors

Specific attention of the Bidders is invited to “*Risk Factors*” on page 36 to have an informed view before making an investment decision.

Summary of Contingent Liabilities

The details of our contingent liabilities as per Ind AS 37 derived from our Restated Consolidated Financial Information are set forth in the table below:

(₹ in million)		
Sr. No.	Particulars	As at September 30, 2021
Contingent Liabilities		

Sr. No.	Particulars	As at September 30, 2021
1.	TDS Demand	2.83
2.	Income Tax Demand on account of disallowance/additions	1,895.49
3.	Claims against Company not acknowledged as debts	1,125.47
4.	Sales Tax Demand on account of demand raised for replacement of goods	15.45
5.	Excise & Service Tax Demand on account of reversal of input credit	359.32
6.	Customs Tax Demand - Matters under dispute	43.51
Commitment		
1.	Capital Commitment	924.41

For details, of contingent liabilities for the six month period ended as at September 30, 2021, as per Ind AS 37, see “Restated Consolidated Financial Information – Notes to Restated Consolidated Financial Information – Contingent Liabilities, Commitments and Other Litigations” on page 313.

Summary of Related Party Transactions

A summary of related party transactions as per the requirements under Ind AS 24 - Related Party Disclosures read with the SEBI ICDR Regulations entered into by our Company with related parties as at and for the six months ended September 30, 2021 and as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 derived from our Restated Consolidated Financial Information are as follows:

(In ₹ million)					
Sr. No	Particulars	As at			
		September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
A	Sale of Goods				
A.1	Enterprise under Significant Influence of Key management Personnel or their relatives				
	M/s Bawri Medical Depot	101.36	114.63	172.39	140.20
	M/s Oxalis Labs	570.20	582.16	481.27	283.70
B	Purchase of Goods				
B.1	Enterprise under Significant Influence of Key management Personnel or their relatives				
	M/s Oxalis Labs	1,839.83	4,396.68	4,195.67	3,393.78
C	Sale of Assets				
C.1	Enterprise under Significant Influence of Key management Personnel or their relatives				
	M/s Oxalis Labs	0.38	5.69	14.17	4.93
D	Purchase of Assets				
D.1	Enterprise under Significant Influence of Key management Personnel or their relatives				
	M/s Oxalis Labs	0.91	7.20	11.69	0.36
E	Interest Income				
E.1	Enterprise under Significant Influence of Key management Personnel or their relatives				
	Agarwal Holdings Private Limited	13.97	-	-	-
F	Sub-Lease Rental Income and Support Fees				
F.1	Enterprise under Significant Influence of Key management Personnel or their relatives				
	Agarwal Holdings Private Limited	0.09	0.05	-	-
G	Reimbursement of Expenses				
G.1	Enterprise under Significant Influence of Key management Personnel or their relatives				
	M/s Pharma Centre	0.42	0.90	0.86	1.02
	Agarwal Holdings Private Limited	-	(0.00)	-	-
H	Donation Expenses				
H.1	Associate Concern				
	Macleods Social Welfare Foundation	1.05	0.35	0.05	-
I	Temporary Advances given				
I.1	Associate Concern				
	Macleods Social Welfare Foundation	-	-	0.05	0.00
I.2	Enterprise under Significant Influence of Key management Personnel or their relatives				

Sr. No	Particulars	As at			
		September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
	Agarwal Holdings Private Limited	902.63	-	-	-
	M/s Oxalis Labs	-	22.20	25.12	0.40
	Macleods Laboratories Private Limited	0.30	0.30	0.42	0.57
	Lance Financial Consultants Private Limited	-	0.04	0.14	0.00
I.3	Key Management Personnel				
	Girdharilal Bawri	-	4.06	4.12	11.15
	Banwarilal Bawri	-	13.88	20.97	31.33
	Dr. Rajendra Agarwal	-	5.32	3.72	25.75
	Vijay Agarwal	-	0.66	2.44	4.46
I.4	Relatives of Key Management Personnel				
	Anju Agarwal	-	10.16	16.99	17.81
	Ajay Agarwal	-	10.13	16.21	18.68
J	Temporary Advances received back				
J.1	Associate Concern				
	Macleods Social Welfare Foundation	-	-	0.05	0.00
J.2	Enterprise under Significant Influence of Key management Personnel or their relatives				
	M/s Oxalis Labs	-	22.20	25.12	0.40
	Macleods Laboratories Private Limited	0.30	0.30	0.42	0.57
	Lance Financial Consultants Private Limited	-	0.04	0.14	0.00
J.3	Key Management Personnel				
	Girdharilal Bawri	-	4.06	4.12	11.15
	Banwarilal Bawri	-	13.88	20.97	31.33
	Dr. Rajendra Agarwal	-	5.32	3.72	25.75
	Vijay Agarwal	-	0.66	2.44	4.46
J.4	Relatives of Key Management Personnel				
	Anju Agarwal	-	10.16	16.99	17.81
	Ajay Agarwal	-	10.13	16.21	18.68
K	Short Term Employee Benefits paid				
K.1	Key Management Personnel				
	Girdharilal Bawri	158.06	316.03	313.65	241.54
	Banwarilal Bawri	158.06	316.03	313.65	241.54
	Dr. Rajendra Agarwal	158.06	316.03	313.65	241.54
	Ruchi Agarwal	2.51	4.98	4.95	2.47
	Vijay Agarwal	19.27	39.49	39.21	35.35
	Vinayak Shirodkar	8.51	16.55	14.86	13.26
	Patri Venkat Raghavendra Rao	0.01	-	-	-
	Siddhesh Mahadeo Rane	0.48	0.91	0.78	0.18
	Suvarna Bhaskar	-	-	-	1.03
K.2	Relatives of Key Management Personnel				
	Ajay Agarwal	10.03	20.67	20.67	18.63
	Prateek Banwarilal Agarwal	4.53	9.31	9.31	7.62
	Gauri Agarwal	0.17	-	-	-
L	Professional Fees paid				
L.1	Relatives of Key Management Personnel				
	Kusum Todi	0.38	0.76	0.72	0.69
	Nirmala Ruia	-	-	3.49	3.49
M	Commission paid				
M.1	Enterprise under Significant Influence of Key management Personnel or their relatives				
	M/s Pharma Centre	28.34	41.74	41.37	42.25
N	Rent paid				
N.1	Relatives of Key Management Personnel				
	Sudha Bawri	6.28	12.56	12.56	12.56
	Anju Agarwal	6.28	12.56	12.56	12.56
	Ajay Agarwal	6.28	12.56	12.56	12.56
	Prateek Banwarilal Agarwal	0.51	1.03	1.03	0.94
N.2	Enterprise under Significant Influence of Key management Personnel or their relatives				
	Macleods Laboratories Private Limited	0.66	1.20	1.20	1.20
O	Dividends distributed				

Sr. No	Particulars	As at			
		September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
O.1	Key Management Personnel				
	Girdharilal Bawri	-	-	-	22.35
	Banwarilal Bawri	-	-	-	30.22
	Dr. Rajendra Agarwal	-	-	-	17.99
	Ruchi Agarwal	-	-	-	16.01
	Vijay Agarwal	-	-	-	20.84
O.2	Relatives of Key Management Personnel				
	Rajendra Agarwal HUF	-	-	-	0.10
	Taradevi Bawri	-	-	-	1.62
	Sudha Bawri	-	-	-	8.84
	Anju Agarwal	-	-	-	16.28
	Ajay Agarwal	-	-	-	21.73
	Anushree Agarwal	-	-	-	2.29
	Prateek Banwarilal Agarwal	-	-	-	25.18
	Gauri Agarwal	-	-	-	16.15
P	Miscellaneous Transactions made				
P.1	Enterprise under Significant Influence of Key management Personnel or their relatives				
	M/s Oxalis Labs	1.21	3.89	1.36	(0.77)
	M/s Pharma Centre	0.02	(0.52)	0.42	0.15
	Equity Contributions				
Q.1	Associate Concern				
	Makmed LLC	-	0.01	-	-
	PT Sampharindo Retroviral Indonesia	123.97	-	102.48	-
R	Balance of Investments as on				
R.1	Associate Concern				
	Macleods Social Welfare Foundation	0.05	0.05	0.05	0.05
	PT Sampharindo Retroviral Indonesia	226.45	102.48	102.48	-
	Makmed LLC	0.01	0.01	-	-
S	Interest Receivable				
S.1	Enterprise under Significant Influence of Key management Personnel or their relatives				
	Agarwal Holdings Private Limited	13.97	-	-	-
T	Trade Receivables				
T.1	Enterprise under Significant Influence of Key management Personnel or their relatives				
	M/s Bawri Medical Depot	9.55	0.00	-	(0.00)
	M/s Oxalis Labs	0.04	0.38	0.00	-
	M/s Pharma Centre	8.71	10.05	12.34	13.70
U	Advance received from Customers				
U.1	Enterprise under Significant Influence of Key management Personnel or their relatives				
	M/s Bawri Medical Depot	-	-	1.65	-
V	Sub-Lease Rent Receivable				
V.1	Enterprise under Significant Influence of Key management Personnel or their relatives				
	Agarwal Holdings Private Limited	0.16	0.05	-	-
W	Balance of Loans & Advances/Other Receivables				
W.1	Key Management Personnel				
	Vijay Agarwal	0.01	0.01	0.01	0.01
W.2	Enterprise under Significant Influence of Key management Personnel or their relatives				
	Agarwal Holdings Private Limited	902.63	-	-	-
	Agarwal Holdings Private Limited on account of Demerger	1,750.47	(1,953.82)	-	-
X	Trade Payables				
X.1	Enterprise under Significant Influence of Key management Personnel or their relatives				
	M/s Oxalis Labs	155.46	314.43	62.27	98.66
	Macleods Laboratories Private Limited	-	0.01	-	-
Y	Commission Payable				
Y.1	Enterprise under Significant Influence of Key				

Sr. No	Particulars	As at			
		September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
	management Personnel or their relatives				
	M/s Pharma Centre	5.29	2.90	3.28	2.24
Z	Salaries & Remuneration Payable				
Z.1	Key Management Personnel				
	Girdharilal Bawri	12.26	11.76	-	9.89
	Banwarilal Bawri	12.26	11.76	-	10.17
	Dr. Rajendra Agarwal	12.26	11.76	-	10.73
	Ruchi Agarwal	0.28	0.28	-	0.14
	Vijay Agarwal	1.24	1.22	1.07	1.17
Z.2	Relatives of Key Management Personnel				
	Ajay Agarwal	1.02	0.85	0.88	0.87
	Prateek Banwarilal Agarwal	0.47	0.46	0.46	0.38
	Gauri Agarwal	0.16	-	-	-
AA	Expenses Payable				
AA.1	Enterprise under Significant Influence of Key management Personnel or their relatives				
	M/s Pharma Centre	0.11	0.19	0.07	0.42

* Post employment Benefits in the form of Gratuity and Compensated Absences has not been considered in above information as a separate actuarial valuation/details of premium paid are not available.

The following are the details of the transactions which were eliminated upon consolidation as per Ind AS 24 read with ICDR Regulations during the period/year ended September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019

Sr. No.	Particulars	As at			
		September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
A.	Sale of Goods				
A.1	Subsidiaries				
	Macleods Pharma USA, Inc.	1,430.19	11,180.21	7,721.93	4,953.66
	Macleods Pharma UK Limited	15.53	0.76	2.69	41.00
	Macleods Pharmaceuticals Limited, LLC	870.36	1,606.08	443.73	419.39
	Macleods Pharmaceuticals SA (Pty) Limited	594.17	3,429.65	1,313.93	1,481.73
B.	Sale of Services				
B.1	Subsidiaries				
	Macleods Pharmaceuticals SA (Pty) Limited	-	412.80	306.27	-
	Macleods Pharmaceuticals Philippines, Inc.	10.96	-	-	-
C.	Interest Income				
C.1	Subsidiaries				
	Macleods Pharma UK Limited	1.84	4.65	7.86	7.61
	Macleods Pharma Espana SLU	0.96	1.72	1.17	-
	Macleods Pharmaceuticals SA (Pty) Limited	-	-	5.97	0.94
	Oxus Pharma Ltd	0.12	0.11	0.00	-
	Macleods Pharmaceuticals Sdn. Bhd.	0.07	0.01	-	-
D.	Exchange Revaluation of Trade Receivables				
D.1	Subsidiaries				
	Macleods Pharma USA, Inc.	84.37	(260.68)	374.53	(114.19)
	Macleods Pharma UK Limited	(0.22)	(0.04)	0.09	(21.06)
	Macleods Pharmaceuticals Limited, LLC	17.99	(5.71)	15.85	(4.93)
	Macleods Pharmaceuticals Philippines, Inc.	0.03	-	-	-
	Macleods Pharmaceuticals SA (Pty) Limited	(64.44)	121.68	(23.36)	(41.36)
E.	Sundry Balance written off of Trade Receivables				
E.1	Subsidiaries				
	Macleods Pharma UK Limited	-	-	(0.00)	-
	Macleods Pharmaceuticals Limited, LLC	-	-	-	(0.00)
F.	Advances given to Subsidiaries				
F.1	Subsidiaries				
	Macleods Pharma UK Limited	-	-	-	0.31
	Oxus Pharma Ltd	1.50	2.00	0.82	-
	Macleods Pharmaceuticals SA (Pty) Limited	-	-	243.64	-
	Macleods Pharma Espana SLU	-	6.54	8.84	9.27

Sr. No.	Particulars	As at			
		September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
	Macleods Pharmaceuticals Sdn. Bhd.	-	2.12	-	-
G.	Advances received back from Subsidiaries				
G.1	Subsidiaries				
	Macleods Pharma UK Limited	-	75.74	-	0.04
	Macleods Pharmaceuticals SA (Pty) Limited	-	-	243.64	81.10
	Macleods Pharma Espana SLU	-	-	-	0.06
H.	Advances written off of Subsidiaries				
H.1	Subsidiaries				
	Macleods Pharmaceuticals SA (Pty) Limited	-	-	8.16	-
I.	Exchange Revaluation of Advances to Subsidiaries				
I.1	Subsidiaries				
	Macleods Pharma UK Limited	(0.57)	5.31	3.85	(2.55)
	Macleods Pharma Espana SLU	0.06	0.79	1.45	(0.53)
	Oxus Pharma Ltd	0.07	(0.02)	0.02	-
	Macleods Pharmaceuticals Sdn. Bhd.	0.02	0.05	-	-
J.	Exchange Revaluation of Accrued Interest on Advances to Subsidiaries				
J.1	Subsidiaries				
	Macleods Pharma UK Limited	(0.52)	3.60	1.31	-
	Macleods Pharma Espana SLU	(0.01)	0.04	-	-
	Oxus Pharma Ltd	0.00	(0.00)	-	-
	Macleods Pharmaceuticals Sdn. Bhd.	0.00	-	-	-
K.	Temporary Advances received back				
K.1	Subsidiaries				
	East and West Clothing Private Limited	0.60	0.47	0.80	0.76
M.	Temporary Advances given				
M.1	Subsidiaries				
	East and West Clothing Private Limited	0.60	0.47	0.80	0.76
N.	Equity Contributions				
N.1	Subsidiaries				
	Macleods Pharmaceuticals Sdn. Bhd.	-	0.00	-	-
	Macleods Pharmaceuticals Philippines, Inc.	-	15.16	-	-
	Oxus Pharma Ltd	-	-	1.95	-
O.	Rent paid				
O.1	Subsidiaries				
	East and West Clothing Private Limited	1.98	3.60	3.60	3.60
P.	Miscellaneous Transactions made				
P.1	Subsidiaries				
	Macleods Pharma USA, Inc.	2.72	-	-	-
Q.	Balance of Investments as on				
Q.1	Subsidiaries				
	Macleods Pharmaceuticals Limited, LLC	2.38	2.38	2.38	2.38
	Macleods Pharma UK Limited	0.01	0.01	0.01	0.01
	Macleods Pharmaceuticals SA (Pty) Limited	0.01	0.01	0.01	0.01
	Macleods Pharma USA, Inc.	3.43	3.43	3.43	3.43
	Macleods Pharma Espana SLU	0.21	0.21	0.21	0.21
	Oxus Pharma Ltd	1.95	1.95	1.95	-
	Macleods Pharmaceuticals Sdn. Bhd.	0.00	0.00	-	-
	Macleods Pharmaceuticals Philippines, Inc.	15.16	15.16	-	-
	East and West Clothing Private Limited	-	-	75.07	75.07
R.	Balance of Advances to Subsidiaries as on				
R.1	Subsidiaries				
	Macleods Pharma UK Limited	59.93	60.50	130.93	127.09
	Macleods Pharmaceuticals SA (Pty) Limited	-	-	(0.00)	-
	Macleods Pharma Espana SLU	31.44	31.38	24.05	13.76
	Oxus Pharma Ltd	4.38	2.81	0.83	-
	Macleods Pharmaceuticals Sdn. Bhd.	2.20	2.18	-	-
S.	Balance of Accrued Interest on Advances to Subsidiaries as on				
S.1	Subsidiaries				
	Macleods Pharma UK Limited	52.47	51.15	42.90	33.73

Sr. No.	Particulars	As at			
		September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
	Macleods Pharma Espana SLU	3.88	2.93	1.17	-
	Oxus Pharma Ltd	0.23	0.11	0.00	-
	Macleods Pharmaceuticals Sdn. Bhd.	0.08	0.01	-	-
T.	Balance of Trade Receivables				
T.1	Subsidiaries				
	Macleods Pharma UK Limited	16.07	0.76	2.73	14.65
	Macleods Pharmaceuticals Limited, LLC	1,026.05	431.98	213.65	285.46
	Macleods Pharmaceuticals SA (Pty) Limited	1,000.77	2,140.57	722.64	466.31
	Macleods Pharma USA, Inc.	6,091.35	6,889.81	5,055.32	3,381.71
U.	Withholding Tax Receivable				
U.1	Subsidiaries				
	Macleods Pharmaceuticals Philippines, Inc.	2.77	-	-	-
U.	Expenses Payable				
U.1	Subsidiaries				
	East and West Clothing Private Limited	-	0.27	-	-
V.	Balance of Cash in Transit				
V.1	Subsidiaries				
	Macleods Pharma USA, Inc.	111.38	-	-	-

Note: East and West Clothing Private Limited is not our Subsidiary from appointed date i.e. 1st January, 2021 after Demerger order dated December 23, 2021 from NCLT. However, since the transactions are made with the Subsidiary during that period, transactions with East and West Clothing Private Limited are considered as Related Party Transactions (as a Subsidiary) as per Ind AS 24 for period ended 30th September, 2021 and year ended 31st March, 2021.

For details of the related party transactions, see “Restated Consolidated Financial Information – Summary of Related Party Transactions” on page 326.

Issue of Equity Shares made in the last one year for consideration other than cash

Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Red Herring Prospectus. However, our Company has undertaken a bonus issue of 399,213,600 Equity Shares in the ratio of 2:1 which were allotted on January 18, 2022.

For details, see “Capital Structure – Notes to the Capital Structure – Equity share capital history of our Company” on page 87.

Split or consolidation of Equity Shares in the last one year

Except as disclosed below, our Company has not undertaken split or consolidation of the equity shares of our Company in the last one year preceding the date of this Draft Red Herring Prospectus:

Pursuant to a resolution passed by our Board on September 27, 2021 and a resolution passed by our Shareholders dated, November 15, 2021, each equity share of face value of ₹10 each as sub-divided into 10 equity shares of face value of ₹1 each. Accordingly, the issued, subscribed and paid up capital of our Company was sub-divided from 19,960,680 equity shares of face value of ₹10 each to 199,606,800 equity shares of face value of ₹1 each. For details, see “Capital Structure – Notes to the Capital Structure – Equity Share capital history of our Company” on pages 87.

Financing Arrangements

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

Weighted average price at which the Equity Shares were acquired by the Shareholders of the Company

The weighted average price at which the Equity Shares were acquired by the Shareholders in the one year preceding the date of this Draft Red Herring Prospectus is:

Name of the Shareholder	Number of Equity Shares acquired in the one year preceding the date of this Draft Red Herring Prospectus*#	Weighted average price of acquisition per Equity Share (in ₹)*
Girdharilal Bawri	42,047,200	Nil
Banwarilal Bawri	59,111,600	Nil
Dr. Rajendra Agarwal	34,854,200	Nil
Prateek Agarwal	50,368,000	Nil
Ajay Agarwal	43,451,000	Nil
Vijay Agarwal	41,672,200	Nil
Anju Agarwal	32,562,000	Nil
Gauri Agarwal	32,298,000	Nil
Dr. Ruchi Agarwal	32,023,800	Nil
Sudha Bawri	17,681,600	Nil
Shalini Kedia	5,320,000	Nil
Anushree Agarwal	4,584,000	Nil
Taradevi Bawri	3,240,000	Nil

* As certified by B.A.K.D. & Co., by way of their certificate dated February 14, 2022.

The Equity Shares have been acquired pursuant to the bonus issue in the preceding one year.

For further details, see “Capital Structure – Notes to the Capital Structure – Equity share capital history of our Company” on page 87.

Average cost of acquisition for Promoters and the Selling Shareholders

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

Name of the Promoter / Selling Shareholder	Number of Equity Shares held#	Average cost of Acquisition per Equity Share (in ₹)*
Girdharilal Bawri	63,070,800	Negligible
Banwarilal Bawri	88,667,400	0.01
Dr. Rajendra Agarwal	52,281,300	0.03
Prateek Agarwal	75,552,000	Nil
Ajay Agarwal	65,176,500	0.37
Vijay Agarwal	62,508,300	Nil
Anju Agarwal	48,843,000	0.26
Gauri Agarwal	48,447,000	Nil
Dr. Ruchi Agarwal	48,035,700	Negligible
Sudha Bawri	26,522,400	0.01
Shalini Kedia	7,980,000	Nil
Anushree Agarwal	6,876,000	0.03
Taradevi Bawri	4,860,000	0.03

Pursuant to a resolution passed by our Board on September 27, 2021 and a resolution passed by Shareholders dated November 15, 2021, each equity share of face value of ₹10 each has been split into 10 equity shares of face value of ₹1 each.

* As certified by B.A.K.D. & Co. by way of their certificate dated February 14, 2022.

Details of price at which Equity Shares were acquired in the last three years preceding the date of this Draft Red Herring Prospectus by our Promoters, Promoter Group and Selling Shareholders is disclosed below:

Name of the acquirer/shareholder	Date of acquisition of equity shares	Number of equity shares acquired	Face value per equity share#	Acquisition price per equity share (in ₹)
Promoters*				
Girdharilal Bawri	January 18, 2022	42,047,200	1	NA
Banwarilal Bawri	January 18, 2022	59,111,600	1	NA
Dr. Rajendra Agarwal	January 18, 2022	34,854,200	1	NA
Members of the Promoter Group*				
Prateek Agarwal	January 18, 2022	50,368,000	1	NA
Ajay Agarwal	January 18, 2022	43,451,000	1	NA
Vijay Agarwal	January 18, 2022	41,672,200	1	NA
Anju Agarwal	January 18, 2022	32,562,000	1	NA
Gauri Agarwal	January 18, 2022	32,298,000	1	NA
Dr. Ruchi Agarwal	January 18, 2022	32,023,800	1	NA
Sudha Bawri	January 18, 2022	17,681,600	1	NA

Name of the acquirer/shareholder	Date of acquisition of equity shares	Number of equity shares acquired	Face value per equity share [#]	Acquisition price per equity share (in ₹)
Shalini Kedia	October 18, 2019	266,000	10	Nil [^]
	January 18, 2022	5,320,000	1	NA
Anushree Agarwal	January 18, 2022	4,584,000	1	NA
Taradevi Bawri	January 18, 2022	3,240,000	1	NA

^{*} Also, the Selling Shareholders and Shareholders having special rights.

[#] Our Company has undertaken a sub-division of equity shares of ₹ 10 each to Equity Shares having face value of ₹ 1 each pursuant to a resolution passed by our Board on September 27, 2021 and a resolution passed by our Shareholders dated, November 15, 2021.

[^] Acquired by way of a gift.

For details of sub-division of equity shares in the last one year, see “Capital Structure – Notes to the Capital Structure – Equity share capital history of our Company” on page 87.

Details of pre-IPO placement

Our Company is not contemplating a pre-IPO placement.

Exemption from complying with any provisions of securities laws, if any, granted by SEBI

Our Company has not received any exemption from the SEBI from complying with any provisions of securities laws, as on the date of this Draft Red Herring Prospectus.

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. All references to “South Africa”, “S.A.”, “R.S.A.” are to the Republic of South Africa and its territories and possessions. All references to “Ukraine” are to Ukraine and its territories and possessions. All references to the “United Kingdom”, “England”, “U.K.” are to the United Kingdom of Great Britain and Northern Ireland and its territories and possessions. All references to “Spain” are to Kingdom of Spain and its territories and possessions. All references to “Nigeria” are to Federal Republic of Nigeria and its territories and possessions. All references to “Malaysia” are to Malaysia and its territories and possessions. All references to “Philippines” are to Republic of the Philippines and its territories and possessions. All references to “Russia” are to Russian Federation and its territories and possessions. All references to “Japan” are to the State of Japan and its territories and possessions. All references to “Peru” are to the Republic of Peru and its territories and possessions. All references to “Uzbekistan” are to the Republic of Uzbekistan and its territories and possessions. All references to “Morocco” are to the Kingdom of Morocco and its territories and possessions.

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time (“IST”). Unless indicated otherwise, all references to a ‘year’ in this Draft Red Herring Prospectus are to a calendar year.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus 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 and Pro Forma Consolidated Financial Information. For further information, see “*Restated Consolidated Financial Information*” and “*Pro Forma Consolidated Financial Information*” on page 235 and 358, respectively.

The Restated Consolidated Financial Information of our Company, along with our Subsidiaries and Associates comprising of the restated consolidated statement of assets and liabilities as at September 30, 2021 and as at March 31, 2021, March 31, 2020 and March 31, 2019 and the restated consolidated statements of profits and losses (including other comprehensive income), the restated consolidated statement of changes in equity and the restated consolidated cash flow statement for six months ended September 30, 2021 and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019, the summary statement of significant accounting policies, and other explanatory information prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, SEBI ICDR Regulations and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by ICAI, as amended from time to time.

We have also included in this Draft Red Herring Prospectus, the Pro Forma Consolidated Financial Information comprising of pro forma consolidated balance sheet as at September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019, the pro forma consolidated statement of profit and loss for the six months period ended September 30, 2021 and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 and related notes thereon, to illustrate the impact of a proposed demerger of investment division as set out in “*Basis of preparation*” section of the Pro Forma Consolidated Financial Information, on financial position of our Company, Subsidiaries and Associates as at and for the financial years/period ended September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019 as if the demerger had taken place at April 1, 2018, i.e. beginning of the earliest period presented in the “*Financial Information – Pro Forma Consolidated Financial Information*” on page 358. For further details, see “*History and Certain Corporate Matters – Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last 10 years*” and “*Risk Factors - The Pro Forma Consolidated Financial Information included in this Draft Red Herring Prospectus to reflect the Demerger is not indicative of our expected results or operations in the future periods or our future financial position or a substitute for our past results.*” on pages 201 and 42, respectively.

The standalone and consolidated financial statements of our Company as at and for the year ended March 31, 2019, March 31, 2020, March 31, 2021 were audited by B.A.K.D. and Co. and standalone and consolidated

financial statements of our Company as at and for six month ended September 30, 2021 were audited by the Joint Statutory Auditors.

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 FY, Financial Year, Fiscal or Fiscal Year, unless stated otherwise, are to the 12-month period ended on March 31 of that particular calendar year.

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 Indian Accounting Standards ("Ind AS") and other accounting principles, such as Indian Generally Accepted Accounting Principles ("Indian GAAP"), International Financial Reporting Standards ("IFRS") and United States Generally Accepted Accounting Principles ("U.S. GAAP"), which may be material to investors' assessments of our financial condition, result of operations and cash flows"* on page 65.

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 our Restated Consolidated Financial Information or Pro Forma Consolidated Financial Information, as applicable.

Non-Generally Accepted Accounting Principles Financial Measures

Certain non-GAAP measures such as, EBITDA, EBITDA margin, return on capital employed, fixed asset turnover, PAT margin and net asset value per equity share ("**Non-GAAP Measures**") presented in this Draft Red Herring Prospectus are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year/ period 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, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures are not a standardised term, hence a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance. See *"Risk Factors - 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"* on page 61.

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; and
- "USD" or "US\$" are to United States Dollar, the official currency of the United States.
- "UAH" or "₴" are to Ukrainian hryvnia, the official currency of Ukraine.
- "GBP" or "£" are to the pound sterling, the official currency of the United Kingdom, among others.

- “Euro” or “€” are to the Euro, the official currency of the European Union.
- “Zar” or “R” are to the Rand, the official currency of the Republic of South Africa.
- “Naira” or “NGN” or “₦” are to the Naira, the official currency of the Federal Republic of Nigeria.
- “MYR” or “RM” or “Ringgit” are to Malaysian Ringgit, the official currency of Malaysia.
- “RUB” or “₽” or “Rubles” are to Russian Ruble, the official currency of the Russian Federation.

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 figures derived from our Restated Consolidated Financial Information in decimals have been rounded off to the two decimal place. 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 the other currencies:

(Amount in ₹, unless otherwise specified)

Currency	As of September 30, 2021	As of March 31, 2021	As of March 31, 2020	As of March 31, 2019*
1 US\$	74.23	73.50	75.39	69.17
1 UAH	2.76	2.60	2.66	2.52
1 GBP	99.77	100.95	93.08	90.48
1 Euro	86.11	86.10	83.05	77.70
1 Zar	4.90	4.91	4.18	4.72
1 Naira	0.18	0.19	0.20	0.19
1 Ringgit	17.71	17.64	17.30	16.94
1 Ruble	1.02	0.96	0.94	1.06

(Source: www.fbil.org.in, rbi.org.in, www1.Oanda.com)

* Exchange rate as on March 29, 2019, as exchange rate is not available for March 30, 2019 being Saturday and March 31, 2019 being a Sunday.

Industry and Market Data

Unless stated otherwise, information pertaining to the industry in which our Company operates in, contained in this Draft Red Herring Prospectus is derived from the IQVIA Report and IQVIA Dataset which has been commissioned by our Company for an agreed fee, exclusively in connection with the Offer. We officially appointed IQVIA, in connection with the preparation of the IQVIA Report and IQVIA Dataset pursuant to an agreement dated December 13, 2021.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but accuracy, completeness and underlying assumptions of such third-party sources are not guaranteed. Although the industry and market data used in this Draft Red Herring Prospectus is reliable, the data used in these sources may have been re-classified by us for the purposes of presentation however, no material data in connection with the Offer has been omitted. Data from these sources may also not be comparable.

Although we believe that the industry and market data used in this Draft Red Herring Prospectus is reliable, industry sources and publications may base their information on estimates and assumptions that may prove to be incorrect. The extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful depends upon the reader's familiarity with, and understanding of, the methodologies used in compiling such information. There are no standard data gathering methodologies in the industry in which our Company conducts business and methodologies and assumptions may vary widely among different market and industry sources. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in *"Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from the IQVIA Dataset and IQVIA Report exclusively commissioned by our Company solely for the purposes of the Offer."* on page 60.

For details of risks in relation to IQVIA Report, see *"Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from the IQVIA Dataset and IQVIA Report exclusively commissioned by our Company solely for the purposes of the Offer."* on page 60.

In accordance with the SEBI ICDR Regulations, *"Basis for Offer Price"* on page 105 includes information relating to our peer group companies. Such information has been derived from publicly available sources specified herein. Accordingly, no investment decision should be made solely on the basis of such information.

The IQVIA Report is subject to the following disclaimer:

"Unless noted otherwise, the information in this section has been obtained or derived from the report titled "Industry Overview" dated January 25, 2022, prepared by IQVIA (the "Report"). All information contained in the Report has been obtained by IQVIA from sources believed by it to be accurate and reliable. The information contained herein was prepared expressly for use herein and was based on certain assumptions and information available at the time the Report was prepared. As with any attempt to estimate future events, the forecasts, projections, conclusions, and other information included herein are subject to certain risks and uncertainties, and are not to be considered guarantees of any particular outcome. IQVIA has confirmed that certain third-party information used or cited in the Report has been obtained from publicly available information and acknowledgements of sources have been given wherever necessary in the Report. The Report, in part or in whole, is not intended to constitute investment advice, and is not a recommendation to purchase or not purchase, an endorsement of, or an opinion as to the value of, any security or any investment instrument of any entity. In this disclaimer the terms IQVIA and IQVIA shall be deemed to include its affiliated companies, directors, officers, employees and agents. The Report is not a comprehensive evaluation of the industry, the Company or the Equity Shares and all material within the Report should be deemed as expressions of opinion which are subject to change without notice.

In accordance with the terms of the Agreement, IQVIA's principal task has been to collect, analyze and present data in respect of the Industry Report.

The enclosed materials include information derived from market research information provided by IQVIA and its affiliated companies. IQVIA market research information is proprietary to IQVIA and available on a confidential basis. IQVIA market research information reflects estimates of marketplace activity and should be treated accordingly."

The IQVIA Dataset is subject to the following disclaimer:

"The enclosed materials include information derived from market research information provided by IQVIA Inc. and its affiliated companies ("IQVIA"). IQVIA market research information is proprietary to IQVIA and available on a confidential basis by subscription from IQVIA. IQVIA market research information reflects estimates of marketplace activity and should be treated accordingly."

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 United States Securities Act of 1933 (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) in the United States only to “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as “**U.S. QIBs**”) in transactions exempt from, or not subject to the registration requirements of the U.S. Securities Act and (b) outside the United States in an “offshore transaction” as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdiction where those offers and sales occur. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”.

Notice to Prospective Investors in the European Economic Area

This Draft Red Herring Prospectus has been prepared on the basis that all offers of Equity shares in Member States of the European Economic Area (“**EEA**”) (each a “**Member State**”) will be made pursuant to an exemption under the Prospectus Regulation (as defined below), as applicable to each Member State, from the requirement to produce a prospectus for offers of Equity Shares. The expression “Prospectus Regulation” means Regulation (EU) 2017/1129. Accordingly, any person making or intending to make an offer to the public within the EEA of Equity Shares which are the subject of the placement contemplated in this Draft Red Herring Prospectus should only do so in circumstances in which no obligation arises for our Company or any of the BRLMs to produce a prospectus for such offer pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation. None of our Company and the BRLMs have authorised, nor do they authorise, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the BRLMs which constitute the final placement of Equity Shares contemplated in this Draft Red Herring Prospectus.

For the purposes of this provision, the expression an “offer to the public” in relation to the Equity Shares in any Member State means the communication in any form and by any means of sufficient information on the terms of the Offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares.

Information to Distributors (as defined below)

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Equity Shares have been subject to a product approval process, which has determined that such Equity Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, “distributors” (for the purposes of the MiFID II Product Governance Requirements) (“**Distributors**”) should note that: the price of the Equity Shares may decline and investors could lose all or part of their investment; the Equity Shares offer no guaranteed income and no capital protection; and an investment in the Equity Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the BRLMs will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Equity Shares. Each Distributor is responsible for undertaking its own target market assessment in respect of the Equity Shares and determining appropriate distribution channels.

Notice to Prospective Investors in the United Kingdom

This Draft Red Herring Prospectus has been prepared on the basis that all offers to the public of Equity Shares will be made pursuant to an exemption under the UK Prospectus Regulation from the requirement to produce a prospectus for offers of Equity Shares. The expression “UK Prospectus Regulation” means Prospectus Regulation

(EU) 2017/1129, as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018. Accordingly, any person making or intending to make an offer to the public within the United Kingdom of Equity Shares which are the subject of the placement contemplated in this Draft Red Herring Prospectus should only do so in circumstances in which no obligation arises for our Company or any of the BRLMs to produce a prospectus for such offer pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. None of our Company, the BRLMs have authorized, nor do they authorize, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the Members of the Syndicate which constitute the final placement of Equity Shares contemplated in this Draft Red Herring Prospectus.

For the purposes of this provision, the expression an “offer to the public” in relation to the Equity Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the Offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares.

Information to Distributors

Solely for the purposes of the product governance requirements contained within the FCA Handbook Product Intervention and Product Governance Sourcebook (“**PROD**”) (the “**UK MiFIR Product Governance Rules**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any ‘manufacturer’ (for the purposes of the UK Product Governance Rules) may otherwise have with respect thereto, the Equity Shares have been subject to a product approval process, which has determined that such Equity Shares are: (i) compatible with an end target market of: (a) investors who meet the criteria of professional clients as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); (b) eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”); and (c) retail clients who do not meet the definition of professional client under (b) or eligible counterparty per (c); and (ii) eligible for distribution through all distribution channels (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Equity Shares may decline and investors could lose all or part of their investment; the Equity Shares offer no guaranteed income and no capital protection; and an investment in the Equity Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the BRLMs will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of COBS 9A and COBS 10A respectively; or (b) a recommendation to any investor or group of investors to invest in, or purchase or take any other action whatsoever with respect to the Equity Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Equity Shares and determining appropriate distribution channels.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “are likely”, “believe”, “continue”, “can”, “could”, “expect”, “estimate”, “intend”, “may”, “likely”, “objective”, “plan”, “propose”, “project”, “seek”, “will”, “will achieve”, “will continue”, “will likely”, “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. All statements in this DRHP that are not statements of historical fact are ‘forward-looking statements’.

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 industries in India and other overseas jurisdictions 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 industries 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:

- Shortfall in the supply of our raw materials or an increase in their prices, or of other input costs;
- A material slowdown or shutdown in our manufacturing or R&D operations;
- Regulatory action, litigation or other liabilities against our manufacturing activities;
- Increased product liabilities due to failure to meet various quality standards and good manufacturing practices;
- Failure to obtain, maintain or renew statutory and regulatory licenses, permits and approvals required to operate our business both in India and abroad;
- Limited number of markets contribute to significant portion of our revenue from operations;
- Outstanding legal proceedings involving our Company, some of our Subsidiaries, certain of our Promoters and our Directors; and
- Our Pro Forma Consolidated Financial Information reflects the effect of Demerger and does not indicate expected results or operations in the future periods or our future financial position nor is a substitute for our past results.

For further details 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 36, 122, 158 and 394, 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 current views as on 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, 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 SEBI ICDR Regulations, our Company, the Book Running Lead Managers will ensure that the Bidders in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges for the Offer.

In accordance with regulatory requirements including requirements of SEBI and as prescribed under applicable law, each of the Selling Shareholders shall, severally and not jointly, ensure that the Bidders in India are informed of material developments, in relation to statements and undertakings specifically undertaken or confirmed by it in relation to itself as a Selling Shareholder and its 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. Only statements and undertakings which are specifically confirmed or undertaken by each Selling Shareholder in relation to itself as a Selling Shareholder and its respective portion of the Offered Shares, in this Draft Red Herring Prospectus shall be deemed to be statements and undertakings made by such Selling Shareholder.

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 our Equity Shares, the industry in which we operate or propose to operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may occur and adversely impact our business, cash flows, prospects, results of operations and financial condition. To obtain a complete understanding of our business and operations and legislations governing our business, you should read this section in conjunction with the sections “Industry Overview”, “Our Business”, “Key Regulations and Policies in India” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 122, 158, 190 and 394, respectively. Unless specified or quantified in the relevant risk factor below, we cannot quantify the financial or other implications of any of the risks mentioned in this section. If any of the following risks, some combination of the following risks or other risks that are not currently known or are now deemed immaterial, actually occur, our business, financial condition and results of operations could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. In making an investment decision, you must rely on your own examination of us and the terms of the Offer, including the merits and risks involved, and you should consult your tax, financial and legal advisors about the 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 and uncertainties. Our actual results could differ materially from those anticipated in such forward-looking statements as a result of certain factors, including but not limited to the considerations described below and elsewhere in this Draft Red Herring Prospectus. For details, see “Forward-Looking Statements” on page 34.

In Fiscal 2022, our Company completed the de-merger of our former investment business undertaking into Agarwal Holdings Private Limited, one of our Promoter Group entities (“**Demerger**”). We have included in this Draft Red Herring Prospectus the Pro Forma Consolidated Financial Information (to be read in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Basis of Preparation of the Pro Forma Consolidated Financial Information” on page 418) as at and for the years ended March 31, 2019, 2020 and 2021 and the six months ended September 30, 2021, to show the impact of the Demerger on our Company, including the results of operations and the financial position that would have resulted had the Demerger been completed at a date prior to the first period presented in the Pro Forma Consolidated Financial Information. For further details, see “Financial Information – Pro Forma Consolidated Financial Information” on page 358; “History and Certain Corporate Matters – Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last 10 years” on page 201; and “Risk Factors - The Pro Forma Consolidated Financial Information included in this DRHP to reflect the impact of the Demerger on our Company is not indicative of our future financial condition or factual financial position or results of operations” on page 42.

Our financial year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular financial year are to the 12 months ended March 31 of that year. Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our “Pro Forma Consolidated Financial Information” included in this Draft Red Herring Prospectus on page 358.

We have included certain sales, market share and other financial information relating to the pharmaceutical industry and our operations, products and therapeutic areas that is sourced from the IQVIA Report and IQVIA Dataset. IQVIA computes revenues for the sales of pharmaceutical products based on their research on sales of products in certain pharmaceutical markets and in relation to specific geographic areas. The methodology for computation of revenues by IQVIA, including for our products, is different from the methodology we adopt for the recognition of revenue from the sales of our products under Ind AS, reflected in the Restated Financial Statements included in this Draft Red Herring Prospectus. Accordingly, the sales, market share and other financial data sourced to IQVIA may not accurately reflect our revenues, results of operations and financial results for the products/therapeutic areas covered.

Unless otherwise indicated, such data used in this section has been derived from the IQVIA Dataset. The IQVIA Dataset is subject to the following disclaimer: “The above material includes information based on market research information obtained under license from the following information service(s): IQVIA MIDAS Quarterly Audit March & September 2021 Dataset, IQVIA Secondary Sales Audit Dataset March & September 2021, IQVIA

Secondary Sales Audit Dataset March 2016, IQVIA Secondary Sales Audit Dataset March 2013 and IQVIA US National Sales Perspective (USNSP September 2021). Copyright IQVIA. All Rights Reserved.” “The above material also includes information based on secondary research information from the following source(s): Filings of consolidated financials made by the respective companies with stock exchanges”.

We have also derived certain information from the IQVIA Report which was commissioned by us in connection with the Offer. Unless otherwise indicated, all financial, operational, industry and other related information derived from the IQVIA Dataset or the IQVIA Report and included herein with respect to any particular year refers to such information for the relevant Fiscal Year.

The IQVIA Report is subject to the following disclaimer:

“The above material includes information based on market research information obtained under license from the following information service(s): Specific IQVIA Data Asset; MAT Mar 2021. Copyright IQVIA. All Rights Reserved.” The enclosed materials include information derived from market research information provided by IQVIA and its affiliated companies. IQVIA market research information is proprietary to IQVIA and available on a confidential basis. IQVIA market research information reflects estimates of marketplace activity and should be treated accordingly.”

For further details in relation to disclaimer and risks in relation to the IQVIA Dataset and the IQVIA Report, see “Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation” on page 28 and “Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from the IQVIA Dataset and IQVIA Report exclusively commissioned by our Company solely for the purposes of the Offer.” on page 60.

INTERNAL RISK FACTORS

Risks Related to Our Business and Industry

1. *We may experience a shortfall in the supply of our raw materials or an increase in their prices, or of other input costs.*

The raw materials used in the manufacture of our products, including packaging materials, are subject to supply disruptions and price volatility caused by various factors, such as commodity market fluctuations, the quality and availability of such materials, currency fluctuations, consumer demand, and the regulatory environment. While we are able to meet a portion of the APIs and packaging materials required in our operations through internal production, we continue to procure certain APIs and other raw materials including primary and secondary packaging materials from domestic and international third-party suppliers. Certain of our raw materials are imported to our manufacturing facilities in India from various countries including China. For Details, see “– Restrictions on import of raw materials and an increase in shipment cost may adversely impact our business and results of operations”.

We generally do not enter into long-term contracts or exclusive arrangements with our suppliers and typically negotiate and place purchase orders with them from time to time. If supplies are adversely affected, we may be unable to identify and engage with substitute suppliers at reasonable prices and in a timely manner. Any increase in the prices or demand for such raw materials, may result in increased cost pressures, and materially and adversely affect our business and results of operations. Unanticipated supply shortages could also lead to the slowdown or shutdown of our operations or the under-utilization of our manufacturing facilities.

In addition, as we sell our products in developed and regulated markets, we are required to source substantially all of our raw materials from suppliers compliant with certain ‘good manufacturing practice’ standards. There can be no assurance that our suppliers will, at all times, comply with such standards or that they will be able to continue providing quality-compliant raw materials to us. We may be compelled to make alternative arrangements for supply of necessary raw materials, which may not be available in requisite quantities or at prices acceptable to us. In addition, our ability to control raw material costs by using potential substitutes is restricted on account of the strict quality standards applicable to our products. A failure to maintain our required supply of raw materials, and an inability to ensure alternate raw material sources on terms acceptable to us could adversely affect our ability to conduct our operations efficiently, which could materially and adversely affect our business, prospects, financial condition and results of operations.

While we continue to explore and increase the manufacturing of raw materials in-house to manage our dependence on imports and third-party suppliers, the growth of our business and operations may still continue to be dependent on third parties.

2. *We could experience a material slowdown or shutdown in our manufacturing or R&D operations.*

Our operations are supported by eight manufacturing units in India. In addition, through a manufacturing agreement, we have access to a manufacturing unit in India that is owned and operated by a Promoter Group entity, and through our Associate Company, PT Sampharindo Retroviral Indonesia, we have access to a manufacturing unit in Indonesia, and intend to further expand our capabilities and capacities. For further information, see “*Our Business – Description of our Business – Manufacturing Facilities and Approvals*” on page 181. Also as at September 30, 2021, we operated six DSIR-approved R&D centers for a range of development activities, including API, formulations research, and analytical development. We have recently opened our seventh R&D center and have another upcoming R&D center, both in Mumbai (Maharashtra).

Our business is dependent on our ability to manage our manufacturing and R&D facilities, which are subject to various operating risks and factors outside our control including breakdown and/or failure of equipment or industrial accidents that require significant repair and maintenance costs, difficulties with production costs and yields, product quality issues, disruption in electrical power or water resources, timely grant or renewal of approvals, severe weather conditions, natural disasters and outbreaks of infectious diseases, such as the current COVID-19 pandemic which affected, among others, global supply chains, political instability, and cooperation of our employees. Any of the foregoing could cause delays in our operations or require us to shut down the affected manufacturing facility.

We may also be subject to manufacturing disruptions due to delays in receiving regulatory approvals, which may require our manufacturing facilities to suspend or limit production, or transfer production to other approved facilities, until the required approvals are received or observations concerning these approvals are resolved. Our inability to effectively respond to any such shutdown or slowdown and rectify any disruption in a timely manner and at an acceptable cost, could result in us being unable to satisfy our contractual commitments, which could have an adverse effect on our business, financial condition and results of operations.

Our manufacturing and R&D operations may also be affected by disputes with our work force. For instance, in 2017, we were subjected to a strike and a sit-in *Dharna* by certain sales promotion employees at our head office in Mumbai in respect of certain employee demands and allegations that threats were made by management to certain sales promotion employees which marginally affected our sales operations. We cannot assure you that we will not experience similar disruptions in the future due to disputes or other problems with our work force. Any disagreements with labor unions or labor unrest directed against us could disrupt our operations, which in turn could adversely affect our business, financial condition and results of operations and cash flows. For more information, see “*– Our operations are labor intensive and we may be subject to strikes, work stoppages or increased wage demands by our employees or those of our suppliers.*” on page 52.

3. *Manufacturing activities may subject us to regulatory action, litigation or other liabilities.*

Pharmaceutical manufacturers are subject to significant regulatory scrutiny in most jurisdictions. We have obtained approvals from certain global regulatory bodies, including the USFDA, the MHRA, EDQM and the WHO that enable us to manufacture, distribute and license our products in key markets and are crucial for maintaining the scale of our operations. In connection with maintaining and periodically renewing these approvals, such regulatory bodies impose various stringent requirements on us in respect of, among others, research and development, testing, manufacturing, safety, hygiene and storage. In addition, our manufacturing facilities and products are subject to periodic inspection/ audit by these regulatory agencies, and if we are unable to comply with their requirements, our manufacturing facilities and products may be subject to regulatory action, including a temporary or permanent restriction to market and sell our products in certain jurisdictions or result in the withdrawal of a product from certain markets or affect approvals of new products from the respective manufacturing facility. For example, in September 2019, the Ministry of Health, Pharmacy and Poisons Board, Republic of Kenya (“**Kenyan PPB**”) inspected our manufacturing facility located at Daman Unit VII in connection with the routine renewal of the facility’s good manufacturing practice (“**GMP**”) certificate and issued observations on, among others, certain technical defaults. Our Company took necessary remedial action and submitted responses in respect of these observations to the Kenyan PPB who thereafter re-inspected the facility in November 2021 and as of the date of this Draft Red Herring Prospectus is currently processing the renewal of the facility’s GMP certificate.

We will not be able to sell the products which are manufactured from Daman Unit VII in Kenya until we receive the renewed GMP certificate, and any such prolonged suspension of manufacturing activities at our facilities could impact our ability to meet the demand for our products, and adversely affect our prospects and results of operation.

In November 2017, the USFDA inspected our manufacturing facility in Baddi and issued certain observations via a Form FDA 483. Our Company responded to the same on December 2017 and thereafter periodically provided updates to the USFDA in respect of the observations. In December 2018, the USFDA issued an ‘untitled letter’ to our Company.

Pursuant to the abovementioned observations, the USFDA may (a) withhold approval for any new applications or supplement listing of our Company as a drug manufacturer and (b) refuse admission of the articles manufactured from our Baddi manufacturing facility.

In October 2021, the USFDA inspected our Baddi manufacturing facility and in November 2021 issued another Form FDA 483 citing certain observations.

While our Company responded to these observations in November 2021, the USFDA informed us that our status remains as ‘official action indicated’ and that our Baddi facility could be subjected to regulatory or enforcement action in respect of GMP including the withholding of approvals. As of the date of this Draft Red Herring Prospectus, we are yet to receive further communication from the USFDA on this issue. Based on our Restated Consolidated Financial Information for Fiscal 2021 and the six months ended September 30, 2021, products supplied by our Baddi manufacturing facility to the United States made up ₹ 4,906.86 million and ₹ 1,514.41 million, respectively, representing 6.82% and 3.71% of our total revenue from operations in the same periods, respectively. We cannot assure you that the USFDA will not have any further adverse observations. In the event that there are such further adverse observations by the USFDA, our prospects and results of operation may be adversely affected.

There is no fixed frequency of inspections and we have been subjected to several routine inspections by global regulators over the last three Fiscals. Further, certain approvals or certifications that we have received from these regulators will expire in the near future and we may be unable to maintain or renew these approvals or certifications in a timely manner for reasons which may include delays due to the COVID-19 pandemic which could cause disruptions or delays in approval for new products and/or production, which in turn could adversely affect our business, financial condition, cash flows or results of operations. For further information on our approvals, see “*Government and Other Approvals*” on page 443.

4. *Failure to meet various quality standards and good manufacturing practices may result in increased product liabilities*

We are required to meet various quality standards and specifications for our customers under our supply contracts and quality agreements entered into with our customers, including adhering to various good manufacturing practices in the global market and conditions imposed under statutory or regulatory approvals as well as quality certifications in accordance with the marketing authorisations and the applicable regulatory framework of the respective jurisdiction. An inability to comply with these standards may subject us to increased liability through product recalls, contractual fines, or regulatory sanctions, and may also subject us to product liability claims.

We have previously recalled products due to quality issues and changes in regulatory requirements and we may in the future proactively take corrective measures such as voluntary recalls and withdrawals of our products based on internal investigations of our manufacturing facilities or our processes. Our customer contracts may also require us to replace or provide credit in exchange for products that have expired and are returned by our customers within a stipulated period. We may also be subject to product liability claims if our products are non-compliant with applicable quality standards, which may adversely affect our business, prospects, results of operation, and financial condition. For instance, we were previously subject to a multi-district product liability proceeding in the United States in respect of the sale of a certain product in 2017 which was subsequently dismissed in our favor. We are currently subject to a multi-district class action suit filed against, various pharmaceutical companies including our Company and Macleods Pharma USA Inc. before the United States District Court, District of New Jersey for allegedly selling losartan containing drugs which contained levels of nitrosamines which the plaintiffs claim resulted in them developing cancer. For more details, see “*Outstanding Litigation and Material Developments – Litigation involving our Company – Litigation Against the Company – Material Civil Litigation*” on page 437. There can be no assurance that

we will not be subject to such claims in the future, and any proceedings brought against us irrespective of the merit of such claims, may involve substantial management attention and resources which may adversely affect our prospects, results of operations and financial condition. See “ – *Our products may cause or may be perceived to cause severe side effects, or develop unexpected safety or efficacy concerns, which exposes us to product liability claims and legal proceedings involving such claims*” on page 50.

5. *We are subject to extensive government regulation and may fail to obtain, maintain or renew statutory and regulatory licenses, permits and approvals required to operate our business both in India and abroad.*

We operate in a highly regulated industry and our operations, including our development, testing, manufacturing, marketing and sales activities, are subject to extensive laws and regulations in India and other countries. We are required to obtain and maintain several statutory and regulatory permits and approvals under central, state and local government rules in India. These include approvals applicable to the manufacturing industry such as land use permits, factory licenses, manufacturing permits, building and zoning permits, and environmental, health and safety permits, as well as those specifically applicable to the pharmaceutical industry such as licenses under the Drugs and Cosmetics Act, 1940 and the Narcotic Drugs and Psychotropic Substances Act, 1985. We are also subject to various laws and regulations in the international markets where we market and sell our products and have ongoing duties to regulatory authorities in these markets before and after a product’s commercial release. For details of applicable regulations and policies, see “*Key Regulations and Policies*” and “*Government and Other Approvals*” beginning on pages 190 and 443, respectively. Certain of our authorizations and licenses such as our bio-medical waste authorizations, consents under the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981 and fire no objection certificates have expired in the ordinary course of business and we have applied for renewal of such authorizations and licenses. Further, we are yet to apply for certain required authorizations, such as final fire no objection certificate in respect of a certain R&D unit. If we fail to obtain, renew or maintain any required approvals, licenses, registrations and permissions, in a timely manner or at all, we may experience delays in approvals for developing and marketing new products, which could adversely affect our business, financial condition and results of operations.

Obtaining and maintaining regulatory approval of any of our current or future products in one jurisdiction does not guarantee that we will be able to obtain or maintain regulatory approval in any other jurisdiction. Regulatory authorities in many of our international markets must also approve our products before we or our distribution agents can market them, irrespective of whether these products are approved in India or other markets. Furthermore, governments in certain markets in which we operate may regulate the pricing and marketing of our products, which may limit the revenue we are able to derive from a particular product. Majority of the approvals we require are granted for a limited duration and require periodic renewal while there are some approvals which are granted for an indefinite period. The approval process for a new product and for renewals may be complex, lengthy and expensive. If we fail to comply with the various conditions attached to our approvals, licenses, registrations and permissions once received, the relevant regulatory body may suspend, curtail or revoke our ability to market certain products, which would adversely affect our business, financial condition and results of operations.

In addition, the local laws of certain countries impose restrictions on the grant of product registrations and manufacturing licenses to foreign entities. These laws compel us to enter into agreements with local distributors or manufacturers to apply for and obtain these registrations and licenses in their name, or otherwise restrict our operations by limiting the number of entities we can have arrangements with. If the parties that hold such approvals default in complying with the terms of such approvals resulting in our inability to market our products in those countries, our business, financial condition and results of operations may be adversely affected.

Changes in these laws and regulations may increase our compliance costs and adversely affect our business, prospects, results of operations and financial condition. In countries where we have limited experience, we are subject to additional risks related to complying with a wide variety of local laws, including restrictions on the import and export of certain intermediates, drugs, technologies and multiple and possibly overlapping tax structures. Furthermore, 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, there is increased risk that 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 new products.

6. We derive a significant portion of our revenue from operations from a limited number of markets.

We have historically derived a significant portion of our revenue from India, the United States and South Africa. Revenue from operations in India and outside India represented 51.73% and 48.27% of our revenue from operations in Fiscal 2021, respectively, and 63.93% and 36.07% of our revenue from operations in the six months ended September 30, 2021, respectively. Therefore, any developments in the pharmaceutical industry in these regions could have an impact on our operations.

In addition, our revenues from these markets may decline as a result of increased competition, regulatory action, pricing pressures, fluctuations in the demand for or supply of our products, or the outbreak of an infectious disease such as COVID-19. Our failure to effectively react to these situations could adversely affect our business, prospects, results of operations and financial condition. Furthermore, our international operations are subject to risks that are specific to each country and region in which we operate, as well as risks associated with international operations, in general. These risks include complying with changes in foreign laws, regulations and policies, including restrictions on trade, import and export license requirements, and tariffs and taxes, intellectual property enforcement issues and changes in foreign trade and investment policies. If we are unable to effectively address or comply with changes in foreign laws, or meet the conditions stipulated in our licenses, we may be subject to penalties and other regulatory actions, which could adversely affect our reputation, business, prospects, result of operations and financial condition.

7. Our Company, some of our Subsidiaries and certain of our Promoters and Directors are involved in certain legal proceedings.

Our Company, some of our Subsidiaries and certain of our Promoters and Directors are currently involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. A summary of outstanding litigation involving our Company, two of our Subsidiaries and certain of our Promoters and our Directors as on the date of this Draft Red Herring Prospectus is provided below in accordance with the materiality policy adopted by our Board. For details, see “*Outstanding Litigation and Material Developments*” on page 436.

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 the Company	117	11	N.A.	N.A.	1	2,110.05
Against the Company	1	19	4	N.A.	1	297.24
Directors*						
By our Directors	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Against the Directors	1	N.A.	3	N.A.	N.A.	N.A.
Promoters						
By Promoters	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Against Promoters	1	N.A.	3	N.A.	N.A.	N.A.
Subsidiaries						
By subsidiaries	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Against Subsidiaries	N.A.	1	N.A.	N.A.	1	Nil

* The litigations involving Directors do not include litigations involving our Promoters who are also Directors on the Board of our Company.

^to the extent quantifiable.

In addition to the above, we could also be adversely affected by complaints, claims or legal actions brought in the future by persons, including before consumer forums or sector-specific or other regulatory authorities or commissions in the ordinary course or otherwise, in relation to our products and practices. Furthermore, in the ordinary course of our business, we may receive communications in the form of letters, information requests and notices from various regulatory authorities of various states in India, labor authorities, professional tax authorities, the Competition Commission of India, and the Employee Provident Fund Organization, in relation to, among others, requests for information and clarifications relating to our business and in some instances relating to investigations of third parties by the authorities as cooperation with investigations to which we are not connected in any way, operations and past compliances. There can be no assurance that such complaints or claims or requests for information will not result in investigations,

enquiries or legal actions by any regulatory authority against us.

8. *The Pro Forma Consolidated Financial Information included in this Draft Red Herring Prospectus to reflect the Demerger is not indicative of our expected results or operations in the future periods or our future financial position or a substitute for our past results.*

The NCLT by its order dated December 23, 2021 has sanctioned the scheme of the Demerger, which is effective from January 1, 2021. For further details on the demerger, see “*History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamations, any revaluation of assets etc. in the last 10 years*” on page 201.

Our Pro Forma Consolidated Financial Information as of and for the Fiscals 2019, 2020, 2021 and the six months ended September 30, 2021, included in this Draft Red Herring Prospectus illustrate the impact of this divestment on our Company, including the results of operations and the financial position that would have resulted as if the divestment had taken place on April 1, 2018. Accordingly, our Pro Forma Consolidated Financial Information may not necessarily be indicative of what our actual results of operations, financial position and cash flows would have been for such periods or as of such dates, nor are these intended to be indicative of expected results or operations in the future periods or our future financial position. For further details, see “*Financial Information – Pro Forma Consolidated Financial Information*” on page 358.

Our Pro Forma Consolidated Financial Information addresses a hypothetical situation and does not represent our actual consolidated financial condition or results of operations, and is not intended to be indicative of our future financial condition and results of operations. The adjustments set forth in the Pro Forma Consolidated Financial Information are based on available information and assumptions that our management believes to be reasonable. As the Pro Forma Consolidated Financial Information is prepared for illustrative purposes only, it is, by its nature, subject to change and may not give an accurate picture of the actual financial results that would have occurred had such transactions by us been effected on the dates they are assumed to have been effected, and is not intended to be indicative of our future financial performance. The Pro Forma Consolidated Financial Information does not include all of the information required for financial statements under Ind AS and should be read in conjunction with the section “*Basis of Preparation of the Pro Forma Consolidated Financial Information*” in the Pro Forma Consolidated Financial Information on page 368 and “*Significant Accounting Policies*” in the Restated Consolidated Financial Information on page 260 included in this Draft Red Herring Prospectus. Furthermore, our Pro Forma Consolidated Financial Information was not prepared in connection with an offering registered with the SEC under the U.S. Securities Act and consequently does not comply with the SEC’s rules on presentation of pro forma financial information. Accordingly, investors should not unduly rely on our Pro Forma Consolidated Financial Information. If the various assumptions underlying the preparation of the Pro Forma Consolidated Financial Information do not come to pass, our actual results could be materially different from those indicated in the Pro Forma Consolidated Financial Information. Accordingly, the Pro Forma Financial Information included in this Draft Red Herring Prospectus is not intended to be indicative of expected results or operations in the future periods or the future financial position of our Company or a substitute for our past results, and the degree of reliance placed by investors on our Pro Forma Consolidated Financial Information should be limited.

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

As at September 30, 2021, we held 523 registered trademarks including for our Panderm++, Meromac, Defcort, Megalis, Olmesar, Bio D3, Trenaxa, and Budetrol brands. We also hold 55 trademark registrations outside India as at September 30, 2021, and have few other pending applications. For further information, see “*Our Business – Intellectual Property*” on page 180. In addition, certain of our trademarks, including those for certain products that we currently sell, are either pending registration, have had their registration opposed to, objected to, are under rectification or may be otherwise under dispute. Our applications for registration of trademarks may be rejected by the relevant authorities. If any of our unregistered trademarks are registered in favor of a third-party, we may not be able to claim registered ownership of such trademarks, and consequently, we may be unable to seek remedies for infringement of those trademarks by third-parties other than relief against passing off by other entities. We are also subject to legal proceedings involving the infringement of certain trademarks. For more details, see “*Outstanding Litigation and Material Developments*” on page 436.

Furthermore, due to the different regulatory bodies and varying requirements across countries, we may be unable to obtain intellectual property protection in certain jurisdictions for certain aspects of our operations.

Moreover, our existing trademarks may expire, and there can be no assurance that we be able to renew them after expiry. We also rely on certain patents to protect our proprietary intellectual property. As at September 30, 2021, we had filed 63 patent applications of which one had been granted and eight were pending registration in India. Notwithstanding such patent protection, our patent rights may not prevent our competitors from developing, using or commercializing products that are functionally equivalent or similar to our products. The process of seeking patent protection can be lengthy and expensive, and our patent applications may fail to result in patents being granted, and our existing and future patents may be insufficient to provide us with meaningful protection or a commercial advantage. We cannot assure you that our pending patent applications will result in grant of patents, that patents issued to or licensed by us 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 proprietary processes or to provide us with any competitive advantage. Any inability to protect or renew our trademarks, patents or other existing proprietary information could adversely affect our business.

We also rely on non-disclosure agreements and non-competition agreements with certain employees, consultants, third-party manufacturers, and other parties to protect trade secrets and other proprietary rights that belong to us. 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.

10. *We depend on certain therapeutic areas for a significant portion of our total revenue.*

We generate a significant proportion of our Domestic Sales from certain therapeutic areas such as anti-infectives, cardiovascular, dermatology and anti-diabetic therapies, among others. For Fiscal 2021, Domestic Sales from anti-infectives and cardiovascular therapies amounted to ₹ 8,593 million and ₹ 7,015 million, respectively in the Covered Market, representing 20.7% and 16.9% of our total Domestic Sales in such periods, respectively (*Source: IQVIA Dataset*). Our Domestic Sales from these therapeutic areas may decline as a result of increased competition, regulatory action, pricing pressures or fluctuations in the demand for or supply of our products, and other factors outside our control. If market growth in these therapeutic areas decreases, market acceptance for our competitors' products in these therapeutic areas may increase and result in substitution, and if we have to lower the prices of our products in these therapeutic areas to remain competitive, our revenue and/or profit margins may decline.

Similarly, in the event of any breakthroughs in the development of alternative drugs for these therapeutic areas that are more effective than our products or result in changes in the prescribing practices of physicians, our products may become obsolete or be substituted by such alternatives. Any reduction in demand or a temporary or permanent disruption of manufacturing, sale or use of products in these therapeutic areas, and any failure by us to effectively react to these situations or to successfully introduce new products in these therapeutic areas, could have an adverse effect on our business, financial condition, results of operations and cash flows.

11. *We are subject to uncertainties arising out of the COVID-19 pandemic, or any future pandemic or widespread public health emergency*

The global impact of the COVID-19 pandemic has been continuously evolving with public health officials and governmental authorities responding with various measures such as a nationwide lockdown in India beginning on March 25, 2020. As our Company was considered to be operating in an essential industry, we were allowed to continue operations during the lockdown, subject to certain adjustments in working arrangements. While the lockdowns were subsequently lifted, due to new strains such as the Delta and Omicron variants and consequent waves of coronavirus infections beginning around March 2021, several restrictions have been re-imposed from time to time to control the spread of the virus. For example, due to the current wave of infections linked to the Omicron variant, various states in India had introduced restrictions such as weekend lockdowns and restricted the movement of individuals in groups.

There remains significant uncertainty regarding the duration and long-term impact of the COVID-19 pandemic, as well as possible future actions by the Government, which makes it impossible for us to predict with certainty the impact that COVID-19 will have on our business, financial condition, results of operations and cash flows in the future. Furthermore, one or more states have imposed or may impose additional regional or local lockdowns. The COVID-19 pandemic has affected and may continue to affect our business, financial condition, results of operations and cash flows in a number of ways such as:

- causing disruptions in our supply chain if any of our suppliers or logistic service providers are affected;
- requiring us to quarantine employees that are suspected of being infected with COVID-19, and movement of our employees may be restricted by measures imposed by various governments. This could result in temporary disruptions of our operations involving our sales force, bioequivalence studies, R&D activities, and/or temporary shut-downs of our manufacturing facilities and R&D centers, product approvals and facility inspections, which could have an adverse effect on our business operations or result in a delay in the development, production and supply of our formulations;
- requiring us to streamline our marketing and sales functions to remain competitive in an evolving environment; and
- increasing the risks emanating from process changes being implemented, such as technology, oversight and productivity challenges due to an increase in number of individuals working remotely.

While we continue to operate as an essential business, there can be no assurance that further restrictions will not be introduced or that we will continue to be considered an essential business. We have implemented measures to comply with evolving government regulations, including with respect to social distancing measures and sanitization practices. Although we are currently in compliance with such guidelines, any failure in the future to fully comply or adhere to the measures and guidelines or any other similar regulations could lead to the imposition of penalties, fines or other sanctions, which could have an adverse impact on our business.

However, the full extent to which the COVID-19 pandemic, or any future pandemic or widespread public health emergency impacts our business, financial condition and results of operations will depend on numerous evolving factors that we may not be able to accurately predict or estimate, including the scope, severity, and duration of the pandemic; actions taken by governments, businesses and individuals in response to the pandemic; the impact on our capital expenditure and product development projects; disruptions or restrictions on our employees' and suppliers' ability to work, travel and/or fulfil their obligations to us; volatility in foreign exchange rates; and any extended period of remote work arrangements.

Any intensification of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may adversely impact our business, financial condition, results of operations and cash flows. Furthermore, as much as COVID-19 adversely affects our business and results of operations, it may also have the effect of exacerbating many of the other risks described in this "Risk Factors" section, such as those relating to our ability to procure raw materials in a timely and cost-effective manner, and disruptions at our manufacturing and R&D facilities.

12. *We are exposed to additional risks associated with engaging with government institutions and global funding agencies as part of our international business*

There can be no assurance that governments institutions and global agencies will continue to place emphasis on anti-TB, ARV, and anti-malarial formulations. If there is an adverse change in budgetary allocations for such therapies resulting from a change in government policies or priorities, our business prospects and our financial performance may be adversely affected.

In addition, selection as a manufacturer and supplier for these projects is undertaken through a tender process, and many of the bids in which we participate are subject to the satisfaction of certain eligibility conditions and performance standards. These include reputation, experience and sufficiency of financial resources, and quality accreditations and certifications associated with our products. While we have satisfied pre-qualification criteria to bid for such projects in the past, there can be no assurance that we will be able to meet such criteria to bid for these and other similar projects in the future. For instance, we were previously restricted from bidding on World Bank funded projects by the World Bank for a period of three months in 2018 due to an inaccurate representation of commission payable to an agent in the documents submitted by us as a part of the tender documents (even though this did not affect the eligibility of the tender application). While the restriction has since been lifted and is no longer in effect, there can be no assurance that we will not face similar restrictions in the future. In addition, such tender processes may be challenged even after contracts have been awarded on grounds including validity of tender conditions, satisfaction of eligibility criteria and representations made in bid documents. While we have policies to guide enhanced supervision of these matters, the occurrence of such instances may result in reputational damage and adversely affect our

business, results of operations, financial position and cash flows due to loss of opportunities. Litigation may be necessary to clarify these disputes and protect our brand equity, which could result in incurring additional costs.

We also spend considerable time and resources in the preparation and submission of bids, and if we are unable to pre-qualify on our own credentials to bid for larger projects, we may be required to partner and collaborate with other companies in bids for such projects. If we are unable to partner with other companies in the future, we may lose the opportunity to bid for future projects which could affect our growth plans. In addition, terms of contracts procured under the tender process may or may not prove to be optimally beneficial for us. If new projects which have been announced and which we intend to bid for are not put up for bidding within the announced timeframe, or qualification criteria are modified such that we are unable to qualify, our business, prospects, financial condition, cash flows and results of operations could be materially and adversely affected. Furthermore, our ongoing projects have been awarded to us for a definite term and the relevant authorities may float tenders for such projects after expiry of the current term. There can be no assurance that we will be awarded such projects at the end of the tender process.

13. *We may be unable to successfully implement our business plan, expansion or growth strategies.*

Over the last few years, we have expanded our operations and experienced considerable growth. Such growth requires managing complexities across all aspects of our business, including those associated with expansion of international operations, expansion of manufacturing and R&D facilities, execution of new lines of business, strategic hires with respect to senior management, and implementations of appropriate systems and controls to grow the business. Our continued growth requires significant time and attention from our management and may place strains on our operational systems and processes, financial systems and internal controls and other aspects of our business. Our current growth strategies include growing our market share in the IPM, expanding our presence globally through deployment of sales teams and opportunistic tie-ups, and capacity expansion at our facilities, see “*Our Business – Strategies*” beginning on page 172, which may be subject to various risks. If we are unable to execute our business plan and growth strategies and sustain the levels of growth that we have previously experienced, our business, financial condition and results of operations may be adversely affected.

We may not be able to increase our market share in the domestic market if the market growth in therapeutic areas that we intend to focus on decreases, or if market acceptance for our competitors’ products in these therapeutic areas increases, compelling us to lower prices of our products for these brands. We may also face challenges developing, integrating, managing and motivating our growing and increasingly dispersed employee base. In particular, if we are unable to maintain and grow our pool of R&D talent, including scientists and researchers, we may not be able to innovate and introduce new products in our portfolio. We may also be unable to identify and recruit qualified medical representatives for our operations in key markets outside India, due to regulatory concerns or increased demand for such sales personnel in emerging markets.

There can be no assurance that we will be able to successfully implement our business expansion plans and growth strategies. If any of the aforementioned risks were to materialize, our business, financial condition and results of operations may be adversely affected.

14. *The pharmaceutical industry is intensely competitive, and we may be unable to respond adequately to the increased competition we may face.*

The domestic and international pharmaceutical industries are highly competitive with several major pharmaceutical companies present, and therefore it is challenging to improve market share and profitability. Our products face intense competition from products commercialized or under development by competitors in all of our therapeutic areas. We compete with local companies and multi-national corporations. If our competitors gain significant market share, particularly in the therapeutic areas in which we are focused such as the anti-infectives, anti-hypertensive/ cardiac, dermatology, hormone treatment, and blood related therapeutic areas, our business, financial condition and results of operations could be adversely affected. Many of our competitors may have greater financial, manufacturing, R&D, marketing and other resources, greater geographic reach, broader product ranges and stronger sales forces. Our competitors may succeed in developing products that are more effective, more popular or cheaper than any we may develop, which may render our products obsolete or uncompetitive and adversely affect our business, financial condition and results of operations.

Furthermore, we face competition from manufacturers of patented brand products who are able to sell generic versions of their products to the market directly or by acquiring or forming strategic alliances with our

competitors or by granting them rights to sell. We also operate in a rapidly consolidating industry. The strength of combined companies could affect our competitive position in all of our business areas. Furthermore, if one of our competitors or their customers acquires any of our customers or suppliers, we may lose business from the customer or lose a supplier of a critical raw material, which may adversely affect our business, financial condition and results of operations. The entry of new competitors into the pharmaceutical industry may also further dilute our market share and affect our profitability.

15. *We have not been able to locate certain of our corporate records.*

We are unable to locate certain of our corporate records with respect to certain allotments of equity shares in the past, and certain forms filed with the RoC. These corporate records include Form 23 in relation to the following resolutions of the shareholders' of our Company: (i) shareholders' resolution dated December 3, 1990 for the issuance of 18,435 ordinary shares; (ii) shareholders' resolution dated December 3, 1990 for approving the conversion of loan into equity up to an amount not exceeding ₹ 10.00 million into 859,000 ordinary shares; (iii) shareholders' resolution dated March 14, 2001 for the issuance of 6,200,000 ordinary shares; (iv) shareholders' resolution dated March 3, 2004 for approving a bonus issue of 8,316,950 ordinary shares; and (v) shareholders' resolution dated March 20, 2006 for approving a bonus issue of 9,980,340 ordinary shares. While we have conducted searches of our records at our Company's offices, on the MCA Portal maintained by the Ministry of Corporate Affairs and the records of the RoC, we have not been able to trace the aforementioned corporate records. Accordingly, reliance has been placed on the details provided in the search report dated February 2, 2022 prepared by Amit Dharmani & Associates, an independent practicing company secretary, as well as due diligence of the other relevant corporate records available with our Company to ascertain the information sought from the missing corporate records for our disclosures in the section entitled "*Capital Structure*" beginning on page 87. However, owing to the absence of such corporate records, we cannot assure that we will not be subject to risks arising from the unavailability of such corporate records. Although no legal proceedings or regulatory actions have been initiated or pending against us in relation to such untraceable secretarial and other corporate records and documents, we cannot assure you that such legal proceedings or regulatory actions will not be initiated against our Company in future or we will not be subject to penalties imposed by regulatory authorities in this respect.

16. *Some of our manufacturing units are located in close proximity to each other in a particular region.*

Out of our eight manufacturing units in India, five units are located in the Western region at Sarigam (Gujarat), Daman (Gujarat) and Palghar (Maharashtra). Any materially adverse social, political or economic development, natural calamities, civil disruptions, or changes in the policies of the states or local governments in the region could adversely affect manufacturing activities, result in modification of our business strategy, or require us to incur significant capital expenditure, or suspend our operations. Any such adverse development affecting continuing operations at our manufacturing facilities could result in significant loss from inability to meet customer contracts and production schedules and could materially affect our business reputation within the industry. We cannot assure you that there will not be any significant disruptions in our operations in the future. The occurrence of or our inability to effectively respond to, any such event, could have an adverse effect on our business, results of operations, financial condition and cash flows.

17. *We rely on certain third-party manufacturers for manufacturing some of our products*

We rely on certain third-party manufacturers for manufacturing some of our products. For Fiscal 2019, 2020, 2021 and the six months ended September 30, 2021, products manufactured through third-party manufacturing arrangements contributed to 20.56%, 23.96%, 26.53% and 22.01% of our total revenue from operations in the same periods, respectively. Our key products manufactured through such third-party manufacturing arrangements include, among others, MDIs and 4-drug fixed dose combinations and 3HP in respect of our anti-TB formulations.

If there are any delays or disruptions in the manufacturing facilities of third-party manufacturers, our ability to deliver certain products may be affected. Any of our third-party manufacturers' failure to adhere to contractually agreed timelines, whether due to their inability to comply with, or obtain, regulatory approvals, or otherwise, may result in delays and disruptions to our supplies, increased costs, delayed payments for our products and damage to our reputation leading to an adverse effect on our results of operations.

Additionally, the use of third-party manufacturers is subject to certain risks, such as our inability to continuously monitor the quality, safety and manufacturing processes at such third-party manufacturing facilities, and unauthorized use by such third-party of our intellectual property. While we have stipulated

quality assurance and quality control standards for our third-party manufacturers, we cannot assure you that we will be able to maintain high quality standards in respect of the products that such third-party manufacturers provide us. Although our agreements with third party manufacturers typically contain provisions which would indemnify us for the costs, expenses and damages on account of any loss suffered by us that may be attributable to such third-party, we cannot assure you that our third-party manufacturers will have adequate financial resources to meet their indemnity obligations to us, which could adversely affect our business, results of operations and financial condition.

Our manufacturing contracts may expire and we may not be able to renew such contracts at terms acceptable to us. In the event these third-party manufacturing facilities cease to be available to us at terms acceptable to us or we experience problems with, or interruptions in, such services or facilities, and we are unable to find other facilities to provide similar manufacturing capacity on comparable terms and on a timely basis, our operations may be disrupted and our results of operations and financial condition may be adversely affected.

18. *We enter into out-licensing arrangements for distribution of our products in certain geographies.*

We enter into out-licensing arrangements for distribution of our products in certain geographies including Europe, Latin America, Australia and New Zealand. These out-licensing arrangements are subject to certain risks, such as unauthorized use by distributors of our intellectual property, inability of such distributors to remain compliant with necessary approvals at all times. Although our agreements with such distributors typically contain provisions which would indemnify us for the costs, expenses and damages on account of any loss suffered by us that may be attributable to them, we cannot assure you that such distributors will have adequate financial resources to meet their indemnity obligations to us, which could adversely affect our business, results of operations and financial condition. Furthermore, such agreements also typically contain provisions which require us to indemnify such distributors for product liability claims arising from proven manufacturing defects or supply. Our out-licensing arrangements may expire and we may not be able to renew such contracts at terms acceptable to us. If such out-licensing arrangements cease to be available to us on terms acceptable to us or we experience problems with, or interruptions in, such services, and we are unable to find suitable alternatives to commercialize the products in select geographies on comparable terms, our operations may be disrupted and our results of operations and financial condition may be adversely affected.

19. *We may inadvertently infringe on the patents of others.*

We operate in an industry that may be subject to patent litigation from time to time, including both litigation by competitors relating to purported infringement of innovative products and processes by generic pharmaceuticals and litigation by competitors or innovator companies to delay the entry of a product into the market. Patent litigation can result in damages being awarded and injunctions that could prevent the manufacture and sale of certain products or require us to pay royalties in order to continue to manufacture or sell such products. We are currently subject to various claims by third-parties alleging infringement of their intellectual property by us, including by other pharmaceutical companies alleging that we have infringed their patents for ARV products based on certain ANDA filings we have submitted.

The outcome of these and any other disputes in relation to alleged infringement on patents that may involve our Company may not be possible to predict. Any adverse result of such litigation could include an injunction preventing us from selling our current or future products or prohibit us from enforcing our patent and proprietary rights against others or require us to pay damages or royalty. The occurrence of any of these risks could adversely affect our business, financial condition and results of operations.

20. *We selectively pursue Paragraph IV ANDA filing opportunities in the United States, which may not always be successful, and which may result in litigation which we may not be successful in defending.*

We are present in the United States, with ANDA filings made with the U.S. Food and Drug Administration for 181 products, out of which 80 have been approved, 14 have received tentative approval and 87 are still undergoing assessment, as at September 30, 2021. A Paragraph IV filing is made when an ANDA applicant believes its product or the use of its product does not infringe on the innovator's patents or where the applicant believes that such patents are not valid or enforceable. If successful, Paragraph IV filings enable the filer to launch the product in the United States prior to the expiry of the patent. Innovators may sometimes seek to restrict or challenge the grant of a successful Paragraph IV filing which, if determined against the ANDA applicant, may result in litigation and a loss of the investment in manufacturing the product. Patent litigation may result in damages being awarded and injunctions that could prevent the manufacture and sale of certain products or require us to pay royalties in order to continue to manufacture or sell such products.

We may continue to evaluate product opportunities involving unexpired patents going forward and this could result in patent litigation, the outcome of which may adversely affect our business, prospects, results of operations, cash flows and financial condition.

21. *We rely on our medical representatives and distributors for the sale and distribution of our products.*

In India, we rely on our network of medical representatives to sell our products domestically, and employed more than 4,900 medical representatives as at September 30, 2021. Our representatives interact with medical practitioners to promote our product portfolio and also visit distributors and pharmacies to ensure that our brands are adequately stocked. A significant increase in our employee attrition rate could also result in decreased operational efficiencies and productivity, loss of market knowledge and doctor relationships, and an increase in recruitment and training costs, thereby adversely affecting our business, results of operations and financial condition. For Fiscals 2019, 2020, and 2021, we had an attrition rate of 17.3%, 13.4% and 10.4%, respectively. We cannot assure you that we will be able to find or hire personnel with the necessary experience or expertise. If we are unable to hire people with the necessary knowledge or the necessary expertise, our business may be severely disrupted, financial condition and results of operations may be adversely affected.

Furthermore, we do not have exclusive arrangements with our distributors, which allows them to engage with our competitors. We also compete for distributors with other leading pharmaceutical companies that may have greater brand recognition and financial resources, and a broader product portfolio than we do. If our competitors provide greater incentives to our distributors, our distributors may choose to promote the products of our competitors instead of our products. If we are unable to maintain and grow our domestic sales and distribution network, we may be unable to effectively sell our products, adversely affecting our business, results of operations and financial condition.

22. *Pricing pressure from customers may affect our ability to maintain or increase our product prices.*

The prices for our products vary across markets and are typically determined by competitive and regulatory dynamics unique to each market. Regardless of market, pricing pressure from our customers may lead to decrease in our revenue from product sales and an erosion of our margins, which may have an adverse effect on our business, financial condition and results of operations.

When faced with pricing pressure, we may be compelled to reduce operating costs to maintain profitability. To maintain our profit margins, we typically seek to reduce the price of our raw materials through negotiations with suppliers and improve our production processes to increase our manufacturing efficiency. We cannot assure you that we will be able to avoid future pricing pressure from our customers or offset the impact of any price reductions through continued technological improvements, improved operational efficiencies, cost-effective sourcing alternatives, new manufacturing processes, or other cost reductions through other productivity initiatives. If we were to face pricing pressure from our customers, and the aforementioned measures or other steps we take fail to maintain or increase our margins and revenues from product sales, our business, financial condition and results of operations may be adversely affected.

23. *We may be unable to comply with changes in environmental, health and safety, labor laws and other applicable regulations.*

We are subject to various laws and regulations in relation to environmental protection, such as the Water Act, Air Act, the EPA as well as international environmental laws and regulations, health and safety laws, and labor laws. These laws and regulations impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances and other aspects of our manufacturing operations. We are also subject to the laws and regulations governing employees, including in relation to minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labor and work permits. For details on such regulations and policies applicable to our business, see “Key Regulations and Policies” on page 190.

Laws and regulations may limit the amount of hazardous and pollutant discharge that our manufacturing facilities may release into the air, soil and water. The discharge of materials that are chemical in nature or of other hazardous substances into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies or third parties. Any of the foregoing could subject us to litigation, which could increase contingent costs, require considerable attention from the management, and adversely affect our reputation in the event we were found liable. Additionally, the government or the relevant regulatory bodies may require us to shut down our manufacturing plants, which in turn could lead to product shortages that delay or prevent

us from fulfilling our obligations to customers. Furthermore, in the event our manufacturing activities are shut down or suspended, we may continue to incur costs including those incurred to comply with regulations, appeal regulatory decisions, and compensate our workforce.

We have incurred and expect to continue incurring costs for compliance with all applicable environmental, health and safety, and labor laws and regulations. These laws and regulations have, however, become increasingly stringent and it is possible that they will become significantly more stringent in the future. There can be no assurance that we will, at all times, remain compliant with all applicable environmental, health and safety, and labor laws and regulations or the terms and conditions of any consents or permits in the future or that such compliance will not result in a curtailment of production or a material increase in the costs of production, which would adversely affect our business, financial condition and results of operations. Furthermore, non-compliance with such environmental laws and regulations may subject us to regulatory action, including monetary penalties, that may damage our reputation, and adversely affect our business, prospects, results of operation and financial condition.

24. *The sale of our products may be affected by seasonal factors.*

We experience some seasonal fluctuations in the demand for our pharmaceutical products which varies from geography to geography. For example, our sales in the US typically decline marginally in the fourth quarter of the calendar year and subsequently recovers in the first quarter. We believe such drop to be attributable to, among others, the winter holiday season and a tendency of our customers in the US to postpone medical treatments until after this period. We cannot assure you that the effects of such seasonal changes on the sale of our products will not exacerbate in the future and adversely affect our business and results of operations.

25. *We are subject to the risk of loss due to fire, accidents and other hazards as our R&D and manufacturing processes and materials are flammable and hazardous. We are also subject to the risk of other natural calamities or general disruptions affecting our production facilities and distribution chain.*

We use flammable and hazardous materials in our R&D and manufacturing processes. This heightens our exposure to risks associated with improper handling or storage of these substances, which could result in fire, industrial accidents, injury to our personnel, property and damage to the environment. Our facilities are also exposed to damages arising from natural calamities such as floods, earthquakes, rains, inundations and heavy downpours that could disrupt our manufacturing and storage facilities. Any accident at our facilities may result in personal injury or loss of life as well as substantial damage to or destruction of property and equipment. If any of our manufacturing facilities were to be damaged as a result of fire or other natural calamities, we may be required to temporarily reduce our manufacturing capacity and/or suspend our operations.

In addition, we may be required to incur costs to remedy damage, pay fines or other penalties for non-compliance. While we maintain insurance to guard against losses caused by fires and perils, the insurance coverage may not be sufficient to cover all of our potential losses, see also “– *An inability to maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.*” on page 59. If any of the foregoing were to occur, our business operations, financial condition and results of operations could be adversely affected.

26. *Our proposed capacity expansion plans relating to our manufacturing facilities are subject to the risk of unanticipated delays in implementation and cost overruns.*

We have made, and intend to continue making, investments to expand the capacity of our manufacturing facilities and R&D centers. For further information, see “*Our Business – Strategies – Capacity Expansion and Further Backward Integration*” on page 173. Our expansion plans remain subject to the potential problems and uncertainties that construction projects face including cost overruns or delays. Problems that could adversely affect our expansion plans include labor shortages, increased costs of equipment or manpower, inadequate performance of the equipment and machinery installed in our manufacturing facilities, delays in completion, defects in design or construction, the possibility of unanticipated future regulatory restrictions, incremental preoperative expenses, taxes and duties, interest and finance charges, working capital margin, environment and ecology costs and other external factors which may not be within the control of our management. There can be no assurance that the proposed capacity additions and expansions will be completed as planned or on schedule, and if they are not completed in a timely manner, or at all, our budgeted costs may be insufficient to meet our proposed capital expenditure requirements. If our actual capital expenditures significantly exceed our budgets, or even if our budgets were sufficient to cover these projects, we may not be able to achieve the intended economic benefits of these projects, which

in turn may materially and adversely affect our financial condition, results of operations and prospects. Delays in completion of manufacturing capacities may also result in delays in the conduct of inspections at our facilities by key regulatory agencies including the USFDA which may result in approval delays and thereby underutilization of our manufacturing capacity.

There can be no assurance that we will be able to complete our proposed expansion activities in accordance with the proposed schedule of implementation and any delay could have an adverse impact on our growth, prospects, cash flows and financial condition.

27. *Our success depends on our ability to develop and commercialize products in a timely manner, but our R&D efforts may not succeed or the products we commercialize may not perform as expected.*

Our success depends significantly on our ability to commercialize our new pharmaceutical products that are currently under development. The discovery and development approach to develop new products may not always lead to marketable products. Commercialization involves developing, testing, manufacturing and obtaining the required regulatory approvals for our products, while complying with applicable quality and safety standards. In the pharmaceutical business, the R&D process from initiation to obtaining approval for a drug as well as marketing it, involves significant costs and may involve a significant period of time and is conducted in various stages, resulting in uncertain outcomes. Our ongoing investments in new product launches and R&D for future products could result in higher costs without a proportionate increase in revenues in the short term, or at all. In Fiscals 2019, 2020, 2021 and in the six months ended September 30, 2021, our R&D expenses represented 4.64%, 4.13%, 4.29% and 4.59% of our revenue from operations in such periods, respectively. Our inability to obtain necessary regulatory approvals for our products or the failure of a product to be successful at any stage and therefore not reach the market could adversely affect our business, our results of operations and our cash flows. We may or may not be able to carry out our R&D activities without repeating these efforts, or incurring additional amounts towards such research. Even if we are successful in developing a product, we may not be able to secure approvals for our pharmaceutical products on a timely basis or at all. Additionally, we may not be able to achieve the first-to-market stage if our competitors commercialize similar products before us. The occurrence of any such event could affect the success of our R&D activities, which in turn could have an adverse effect on our business, growth, results of operations, cash flows and financial condition.

We currently have products under development, and once fully developed they may not perform as we expect, and necessary regulatory approvals may not be obtained in a timely manner, if at all, and we may not be able to successfully and profitably produce and market such products.

28. *Our products may cause or may be perceived to cause severe side effects, or develop unexpected safety or efficacy concerns, which exposes us to product liability claims and legal proceedings involving such claims.*

We receive regulatory approval for our products based on, among others, the results of bioequivalence studies and, on occasional clinical trials to verify the efficacy of our branded generic products against the erstwhile patented drug upon which it is based. After approval, the products may be used for longer periods of time by much larger numbers of patients, and we remain subject to scrutiny across the lifecycle of our products. After our products reach the market, certain developments could adversely affect demand for our products, including the re-review of products that are already marketed, new scientific information, greater scrutiny in advertising and promotion or the recall or loss of approval of products that we manufacture, market or sell. In addition, our products may be perceived to cause severe side effects if other pharmaceutical companies' products containing the same or similar APIs, raw materials or delivery technologies as our products cause or are perceived to have caused severe side effects. As a result, our business of developing, producing, marketing, promoting and selling pharmaceutical products in various jurisdictions inherently exposes us to potential product liability claims and litigation.

We may also be subject to claims resulting from third party negligence in storing and handling our pharmaceutical products. In addition, efficacy concerns may become evident only when drugs are introduced into the marketplace, and our customers or regulators may bring civil or criminal proceedings against us for alleged product defects.

In certain foreign jurisdictions, the quantum of damages awarded in cases of product liability may be punitive in nature. Product liability claims, regardless of their merits or the ultimate success of the defense against them, are costly, could damage our reputation, and affect our ability to enter into additional business contracts. We have previously been subject to a multi-district product liability litigation in the United States

for sale of a product in 2017, which was subsequently dismissed in our favor. Further, we are currently subject to a product liability claim for sale of a certain batch of Losartan in 2019 wherein certain traces of impurities were detected in the API. For more details, see “*Outstanding Litigation and Material Developments*” on page 436. There can be no assurance that we will not become subject to any other product liability claims in the future or that we will be able to successfully defend ourselves against any such claims. The outcome of litigation and other legal proceedings that we may be involved in is difficult to assess or quantify. Due to the inherent uncertainty of the litigation process, the litigation process could take away from the time and effort of our management. If we are unable to successfully defend ourselves against such claims, we may be subject to civil liability for physical injury, death or other losses caused by our products and to criminal liability and the revocation of our business licenses if our pharmaceutical products are found to be defective. In addition, we may be required to recall the relevant pharmaceutical products, suspend sales or cease sales. While we maintain product liability insurance and recall coverage to cover damages that may arise from product liability claims and product recalls, such insurance may not adequately cover all costs associated with such recalls, and any product recall or the existence of any particular product liability claim or legal proceedings, including any allegation that our pharmaceutical products are harmful, whether or not ultimately proven, may adversely affect our reputation and sales volumes.

29. *We are dependent on third-party transportation providers for the supply of raw materials and delivery of our products.*

As a manufacturing business, our success depends on the uninterrupted supply and transportation of the various raw materials required for our manufacturing facilities and of our products from our manufacturing facilities to our customers, or intermediate delivery points such as ports, both of which are subject to various uncertainties and risks. We transport our raw materials and our finished products by road and sea. Our suppliers undertake the delivery of our raw materials and we rely on third-party logistic companies and freight forwarders to deliver our products. We may not have formal contractual relationships with all such logistic companies and freight forwarders, and as a result, are exposed to the risk of unavailability of such services at short notice.

Transportation strikes may also have an adverse effect on supplies and deliveries to and from our customers and suppliers. Furthermore, raw materials and products maybe lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of raw materials and products which may also affect our business and results of operation negatively. A failure to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations. Any compensation received from insurers or third-party transportation providers may be insufficient to cover the cost of any delays and will not repair damage to our relationships with our affected customers.

30. *We are dependent on our senior management and qualified personnel including technical experts, researchers and scientists.*

Our performance depends largely on the efforts and abilities of our senior management and performance and productivity of our operational managers. We believe that the inputs and experience of our senior management the expertise, experience and services of our Chief Executive Officer and other Executive Directors are valuable for the development of business and operations and the strategic directions taken by our Company. For further information, see “*Our Management*” on page 210.

We are also dependent on the principal members of our scientific staff including researchers and scientists, the loss of whose services might significantly delay or prevent the achievement of our business or scientific objectives. Our R&D team included more than 1,900 personnel including research professionals and scientists as at September 30, 2021. Competition among R&D driven pharmaceutical companies for qualified employees is intense, and the ability to retain and attract qualified individuals is critical to our success. For Fiscals 2019, 2020, and 2021, we had an attrition rate of 17.3%, 13.4% and 10.4%, respectively. We cannot assure you that individuals who are key to our operations will continue to be associated with us or that any other member of our senior management team will not leave us or join a competitor. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. 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 and our results of operations.

31. *Failure, inadequacy, or breach of our IT systems or our business processes regarding confidential information and other data, unauthorized access to our confidential information or violations of data protection laws could result in material harm to our business and reputation.*

We store confidential information in our information systems, networks, and facilities, including valuable trade secrets and intellectual property, clinical trial information, corporate strategic plans, marketing plans, and personally identifiable information, such as employee and patient information. We also rely, to a large extent, on the efficient and uninterrupted operation of complex information technology systems, infrastructure, and hardware, some of which are within our control and some of which are within the control of third parties, to accumulate, process, store, and transmit large amounts of confidential information and other data. We are subject to a variety of continuously evolving and developing laws and regulations around the world related to privacy, data protection, and data security. Maintaining the confidentiality, integrity and availability of our IT systems and confidential information is vital to our business.

IT systems are vulnerable to system inadequacies, operating failures, service interruptions or failures, security breaches, malicious intrusions, or cyber-attacks from a variety of sources. Cyber-attacks are growing in their frequency, sophistication, and intensity, and are becoming increasingly difficult to detect, mitigate, or prevent. Cyber-attacks come in many forms, including the deployment of harmful malware, exploitation of vulnerabilities (including those third-party software or systems), denial-of-service attacks, the use of social engineering, and other means to compromise the confidentiality, integrity and availability of our IT systems, confidential information, and other data. We may be subject to breaches resulting in the compromise, disruption or unauthorized disclosure or use of confidential information, on account of negligent or wrongful conduct by employees or others with permitted access to our systems and information, or wrongful conduct by hackers, competitors, or other current or former company personnel. Our third-party vendors, including third-party providers of data hosting or cloud services, as well as suppliers, distributors, alliances, and other third-party service providers, face similar risks, which could affect us directly or indirectly.

The failure or inadequacy of our IT systems or business processes, the compromise, disruption or unauthorized access to disclosure or use of confidential information, or the unauthorized access to, disruption of, or interference with our products and services that rely on IT systems or business processes, could impair our ability to secure and maintain intellectual property rights; result in a product manufacturing interruption or failure, or in the interruption or failure of products or services that rely on IT systems or business processes; damage our operations or reputation; and cause us to lose trade secrets or other competitive advantages. Unauthorized disclosure of personally identifiable information could expose us to significant sanctions for violations of data privacy laws and regulations around the world and could damage public trust in our company. While we continue to implement measures in an effort to protect, detect, respond to, and minimize or prevent these risks and to enhance the resiliency of our IT systems, these measures may not be successful and we may fail to detect or remediate security breaches, malicious intrusions, cyber-attacks, or other compromises of our systems. Any of these events could result in material financial, legal, commercial, or reputational harm to our business.

32. *Our operations are labor intensive and we may be subject to strikes, work stoppages or increased wage demands by our employees or those of our suppliers.*

Our operations are labor intensive and we are dependent on a large labor force for our manufacturing operations. As at September 30, 2021, we had more than 17,700 permanent employees. The success of our operations depends on availability of labor and maintaining good relationship with our workforce. Shortage of skilled/ unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. We have previously been subject to a strike and a sit in *Dharna* by our sales promotion employees on claims of non-settlement of their demands, failure to implement outcomes of the welfare committee meetings and allegations of threats issued by management to certain sales promotion employees as part of an industry-wide strike in 2017. While this incident did not result in any disruption in our business operations and was subsequently amicably resolved, there can be no assurance that we will not experience any such disruption in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs.

Furthermore, we engage independent contractors through whom we engage contract labor for performance of certain functions at our manufacturing units as well as at our offices. Although we do not engage these laborers directly, we are responsible for any wage payments to be made to such laborers in the event of

default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and our financial condition.

India has stringent labor legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits.

33. *We may be unable to accurately forecast demand for our products and manage our inventory.*

Our business depends on our estimate of the long-term demand for our formulations. In Fiscals 2019, 2020, 2021 and in the six months ended September 30, 2021, our total inventories amounted to ₹8,355.58 million, ₹9,879.12 million, ₹15,625.51 million and ₹16,803.71 million, respectively. While we seek to accurately forecast the demand for our products and accordingly plan our production volumes, if we underestimate demand or have inadequate capacity, we may manufacture fewer quantities of products than required and will be unable to meet the demand for our products, which could result in the loss of business or constraints in our cash flows. For details on the historical capacity utilization at our manufacturing facilities, see “*Our Business – Description of Business – Manufacturing Facilities and Approvals – Capacity and Capacity Utilization*” beginning on page 182. A number of factors may reduce the end-user demand for our products including, among other things, an over-supply on account of increased competition.

On the other hand, we may overestimate demand or demand from our customers may slow down. As a result, we may produce quantities of our pharmaceutical products in excess of actual demand, which would result in surplus stock that we may not be able to sell in a timely manner. Furthermore, although we have capabilities to store certain levels of excess output, each of our products has a shelf life of a specified number of years and such products may lead to losses if not sold prior to expiry or lead to loss of efficacy or health hazards if consumed after expiry. Our inability to accurately forecast demand for our products and manage our inventory may therefore have an adverse effect on our business, financial condition and results of operations and cash flows.

34. *We are currently entitled to certain tax incentives and export promotion schemes, but these are subject to decrease or discontinuation.*

We benefit from certain tax regulations, incentives and export promotion schemes that accord favorable treatment to certain of our manufacturing facilities as well as for our R&D activities. These tax benefits include:

- a deduction of expenses related to the Demerger commencing Fiscal 2022 pursuant to Section 35DD of the IT Act which enables a company that incurs expenditure wholly and exclusively for the purposes of an amalgamation or demerger of an undertaking to deduct an amount equal to one-fifth of such expenditure for each of the five successive years beginning with the year in which amalgamation or demerger takes place; and
- a 100% deduction on the profits and gains from an eligible undertaking located in any North-Eastern State of India subject to the fulfillment of the conditions laid out in Section 80-IE of the Act. This deduction is available for ten consecutive assessment years beginning from the year the undertaking commences its eligible business or completes specified substantial expansion and is applicable only to those eligible undertakings which have commenced operations between 1 April 2007 and 1 April 2017. We have an eligible undertaking in Sikkim, which has been availing itself to the deduction under Section 80-IE of the Act since Assessment Year 2016-17 (deduction available till Assessment Year 2025-2026).

For further details on our favorable tax treatments, see “*Statement of Special Tax Benefits*” on page 108. We cannot assure you that we will continue to be eligible for such lower tax rates or any other benefits. New or revised accounting policies or policies related to tax, duties or other such levies promulgated from time to time by the relevant authorities may significantly affect our results of operations. The reduction or termination of our tax incentives, or non-compliance with the conditions under which such tax incentives are made available, will increase our tax liability and adversely affect our business, prospects, results of operations and financial condition.

35. *Our Statutory Auditors have included certain matters of emphasis in our Restated Consolidated Financial Information.*

Our Statutory Auditors have included the following matters of emphasis in relation to our Company in our Restated Consolidated Financial Information:

- an emphasis of matter in respect of the basis of preparation of the special purpose interim consolidated financial statements of the Company for the six months ended September 30, 2021, which have been prepared by our management for the purposes of this Offer and for inclusion in this Draft Red Herring Prospectus and certain restrictions on its distribution and use; and
- an emphasis of matter in respect of corrections made to the opening balance sheet as at April 1, 2021 in respect of prior period rectifications in accordance with Ind AS 8.

There is no assurance that our audit reports for any future fiscal periods will not contain qualifications, emphasis of matters or other observations which affect our results of operations in such future periods. For further details, see, “*Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 235 and 394, respectively.

36. *The availability of spurious pharmaceutical products could lead to losses in revenues and harm the reputation of our products.*

We are exposed to the risk of spurious products or similar products not manufactured by us being sold under our name and brand or relevant product brands. This practice by third parties may harm our corporate reputation and that of our products. If spurious products are manufactured using our brand, we may have to establish that the spurious products are not manufactured and/or marketed by us so that we are able to defend any claim that may be made against us. There can be no assurance that by dubious activities/ processes our products will not be replicated by the manufacturer of the spurious products, and we may suffer financial losses as well as loss to our reputation, which may in turn result in a material adverse effect on our business, prospects, results of operations and financial condition.

37. *We operate certain of our manufacturing facilities and R&D centers on leased premises pursuant to lease agreements that may be terminated or not renewed on terms acceptable to us.*

We currently operate certain of our manufacturing facilities and R&D centers on land / premises leased by us from third parties as well as a related party, and certain manufacturing facilities on land owned by us. For more information on our related party lease, see “*Summary of Related Party Transactions*” on page 20, and on the manufacturing facilities on land owned by us, see “– *We own the land on which certain of our manufacturing facilities are located and are exposed to risks inherent to ownership of land title in India*” on page 55. The tenure of the leases is generally agreed in the relevant lease agreements and in some cases are subject to renewal after the agreed period of time. Under the terms of the respective lease agreements we are subject to various compliance requirements, including a prohibition to make any changes or alterations to the building or other erections on the premises without the prior approval of the concerned authority or effect any change to the use of plot, keeping the buildings constructed on the said land insured against loss or damage by fire in a sum equivalent to the cost of the buildings, giving preference to people whose land was acquired for the purpose of developing the industrial area where the facilities are located for the Company’s labor requirements, restrictions on use of certain raw materials, making prescribed arrangements for effluent treatment, and compliance with applicable pollution control norms. Furthermore, we are required to meet certain construction obligations as set out therein, commence production and obtain the occupancy certificate, in each case within specified timeframes from the date of being handed over possession.

Failure to comply with the conditions of use of such land could result in our inability to continue, renew or extend these arrangements at commercially acceptable terms, or at all. In the event we are unable to continue, renew or extend these arrangements on acceptable terms, or are compelled to vacate the premises for any reason, we may not be able to obtain alternate locations for the relevant manufacturing and R&D activities, in a short span of time. Occurrence of any of the above events may have a material adverse effect on our business, results of operations and financial condition.

38. *Restrictions on import of raw materials and an increase in shipment cost may adversely impact our business and results of operations.*

We import certain raw materials which are regulated by the Manufacture, Storage and Import of Hazardous Chemical Rules, 1989 that, among others, allows the relevant authority to take any action if it deems that the

chemicals proposed to be imported may cause major accidents or stop an import of chemicals based on safety and environmental considerations. We are unable to assure you that such regulations would not be made more stringent which would consequently restrict our ability to import raw materials from these jurisdictions. We also cannot assure you that, under these circumstances, we will be successful in identifying alternate suppliers for raw materials or we will be able to source the raw materials on favorable terms and in a timely manner. Any restriction on import of raw materials could have an adverse effect on our ability to deliver products to our customers, business and results of operations. Furthermore, any increase in export tariff will increase expenses which in turn may impact our business and results of operations.

39. *We own the land on which certain of our manufacturing facilities are located and are exposed to risks inherent to ownership of land title in India.*

Some of our manufacturing facilities are located on land which is owned by us. While we conduct due diligence investigations and assess such land and any interest therein prior to acquisition, obtaining title guarantees in India is challenging as title records provide only for presumptive rather than guaranteed title of the land. Such land may involve irregularities in title, such as improperly executed or non-executed, unregistered or insufficiently stamped conveyance instruments in the chain of title, unregistered encumbrances in favor of third parties, rights of adverse possessors and other defects which may not be revealed through our diligence investigations and assessment.

An inability to obtain good title to any plot of land may adversely affect the development of a project for which such plot of land is critical and this may result in the write-off of expenses incurred in relation to such development. In such situations, our business, financial condition and results of operations could be materially and adversely affected.

40. *We have contingent liabilities and capital commitments.*

As at September 30, 2021, we had disclosed the following restated contingent liabilities amounting to ₹ 3,442.07 million in our Restated Consolidated Financial Information as per Ind AS 37:

	As at September 30, 2021 (₹ million)
TDS demand	2.83
Income tax demand on account of disallowance / additions	1,895.49
Claims against the Group not acknowledged as debt	1,125.47
Sales tax on account of demand raised for replacement of goods	15.45
Excise and Service Tax Demand on account of reversal of input credit	359.32
Customs Tax Demand	43.51

In addition, our estimated amount of contracts remaining to be executed on capital account and not provided for, as disclosed in our Restated Consolidated Financial Information as per Ind AS 37, amounted to ₹ 924.41 million as at September 30, 2021.

We cannot assure you that we will not incur similar or increased levels of contingent liabilities in the future. If any of these contingent liabilities materialize, our financial condition and results of operation may be adversely affected. For further details on our contingent liabilities, see also “*Restated Consolidated Financial Information – Contingent Liabilities, Commitments and Other Litigations*” on page 313.

41. *Exchange rate fluctuations may adversely affect our results of operations as our sales from exports and a portion of our expenditures are denominated in foreign currencies.*

We are exposed to foreign exchange related risks as a significant portion of our revenue is in foreign currency, including the US Dollar. Similarly, a significant portion of our expenses, including cost of imported raw material, are denominated in currencies other than Indian Rupees.

The exchange rate between the Indian Rupee and foreign currencies, primarily the USD, has fluctuated in the past and our results of operations have been and may continue to be impacted by such fluctuations. For

example, during times of strengthening of the Indian Rupee, we expect that our overseas sales and revenues will generally be negatively impacted as foreign currency received will be translated into fewer Indian Rupees. However, the converse positive effect of depreciation in the Indian Rupee may not be sustained or may not show an appreciable impact in our results of operations in any given financial period due to other variables impacting our business and results of operations during the same period, including import of raw materials. Accordingly, any appreciation or depreciation of the Indian Rupee against these currencies can impact our results of operations. In Fiscals 2019, 2020 and 2021, and the six months ended September 30, 2021, we recorded foreign currency translation gains / losses of ₹ 277.07 million, ₹ 872.25 million, ₹ 630.16 million and ₹ (15.74) million, respectively.

Furthermore, certain markets in which we sell our products may be subject to foreign exchange repatriation and exchange control risks, which may result in either delayed recovery or even non-realization of revenue. In addition, the policies of the RBI may also change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may have an adverse effect on our results of operations and cash flows.

42. *Our Promoters will be able to exercise significant influence and control over us after the Offer and may have interests that are different from or conflict with those of our other shareholders.*

By virtue of their shareholding, our Promoters will have the ability to exercise significant control and influence over our Company and our affairs and business, including the appointment of Directors, the timing and payment of dividends, the adoption of and amendments to our Memorandum and Articles of Association, the approval of a merger or sale of substantially all of our assets and the approval of most other actions requiring the approval of our shareholders. The interests of our Promoters may be different from or conflict with the interests of our other shareholders in material aspects and, as such, our Promoters may not make decisions in our best interests. In particular, certain of our Promoters are involved in some ventures that are in the same line of business as our Company, see “— *Our Promoters and some of our Directors may have interest in entities, which are in businesses similar to ours and this may result in conflict of interest with us. Further certain of our Directors and Key Management Personnel may be interested in our Company other than in terms of remuneration and reimbursement of expenses.*” on page 56. Furthermore, the influence of our Promoters may also result in the delay or prevention of a change of management or control of our Company, even if such a transaction may be beneficial to our other shareholders.

43. *Our Promoters and some of our Directors may have interest in entities, which are in businesses similar to ours and this may result in conflict of interest with us. Further certain of our Directors and Key Management Personnel may be interested in our Company other than in terms of remuneration and reimbursement of expenses.*

As of the date of this Draft Red Herring Prospectus, one of our Promoters and a Director, namely, Mr. Banwarilal Bawri is a karta of Banwarilal Bawri HUF which is a partner of M/s Oxalis Labs, that is engaged in businesses similar to ours. We cannot assure you that our Directors will not provide competitive services or otherwise compete in business lines in which we are already present or will enter into in the future. In such event, our business, financial condition and results of operations may be adversely affected.

Further, certain of our Directors and Key Management Personnel are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding, direct and indirect, in our Company and benefits arising therefrom. Our Promoters are also interested in our Company to the extent of their shareholding in our Company and any benefits arising therefrom. For details, see “*Our Management – Interests of Directors*” and “*Our Promoters and Promoter Group – Interests of Promoters and Common Pursuits*” on pages 216 and 227, respectively. We cannot assure you that our Promoter, certain of our Directors and Key Management Personnel will exercise their rights as shareholders to the benefit and best interest of our Company.

44. *The proceeds from the Offer for Sale component of the Offer shall be received directly by the Selling Shareholders.*

The Offer includes the Offer for Sale by the Selling Shareholders. The proceeds from the Offer will be paid directly to the Selling Shareholders. We will not receive any of the proceeds from the Offer and will accordingly not have access to such funds.

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

We have entered into certain transactions with related parties and are likely to continue to do so in the future. For details on our related-party transactions, see “*Other Financial Information – Related-Party Transactions*” on page 391. Although all related-party transactions that we may enter into are entered into at arms’ length, we cannot assure you that such transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favorable terms if such transactions had not been entered into with related parties. Such related-party transactions may potentially involve conflicts of interest which may be detrimental to the interest of our Company and we cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, financial condition and results of operations.

46. *We are exposed to counterparty credit risk.*

Due to the nature of, and the inherent risks in, the agreements and arrangements with our customers, we are subject to counterparty credit risk, including significant delays in receiving payments or non-receipt of payments, which may adversely impact our cash flows and results of operations. Our operations involve extending credit to our customers in respect of our products sales, and, consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. We typically have credit terms of between 48 to 70 days for our counterparties. We cannot assure you that we would be able to accurately assess the creditworthiness of our counterparties. Furthermore, macroeconomic conditions, which are beyond our control, could also result in financial difficulties for our counterparties, including limited access to the credit markets, insolvency or bankruptcy. Such conditions could cause our counterparties to delay payment, request modifications to their payment terms, or default on their payment obligations to us, all of which could increase our trade receivables and/or write-offs of trade receivables. In Fiscals 2019, 2020 and 2021, and the six months ended September 30, 2021, our trade receivables amounted to ₹ 9,991.34 million, ₹ 12,637.66 million, ₹ 10,219.73 million and ₹ 10,536.42 million, respectively. Timely collection of payments from counterparties also depends on our ability to complete our contractual commitments and subsequently invoice and collect from our counterparties. If we are unable to meet our contractual obligations, we may experience delays in the collection of, or be unable to collect our trade receivables, which could adversely affect our business, financial condition and results of operations and cash flows. For details on our trade receivables, see “*Restated Consolidated Financial Information*” beginning on page 235.

47. *Information relating to the installed manufacturing capacity, actual production and capacity utilization of our manufacturing facilities included in this Draft Red Herring Prospectus are 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 facilities included in this Draft Red Herring Prospectus are based on various assumptions and estimates of our management that have been taken into account by an independent chartered engineer in the calculation of the installed production capacity, actual production and capacity utilization of our manufacturing facilities.

These assumptions and estimates include 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, as well as expected operational efficiencies. Furthermore, capacity utilization of our manufacturing facilities has been calculated on the basis of total installed production capacity and actual production as of / for the relevant periods. For more information, see “*Our Business – Capacity and Capacity Utilization*” on page 182.

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

48. *Under-utilization of our installed manufacturing capacity may adversely impact our financial performance*

Our Company owns and operates eight manufacturing units that are located across the states of Himachal Pradesh, Madhya Pradesh, Maharashtra, Gujarat and the union territory of Daman, in India. In addition, through a manufacturing agreement, we have access to one manufacturing unit in Himachal Pradesh that is owned and operated by our Promoter Group entity (Oxalis Labs), and through our Associate Company, PT Sampharindo Retroviral Indonesia, we have access to a manufacturing unit in Indonesia. We have incurred

significant capital expenditure in relation to establishing and gaining access to these manufacturing facilities (as the case may be) and we have undertaken expansion of our production capacities based on our estimates of, among others, market demand and profitability for our products. In the event of non-materialization of our estimates and expected orders due to factors including adverse economic scenario and change in demand, our capacities may not be fully utilized thereby adversely impacting our financial performance. For more information, see “*Our Business – Capacity and Capacity Utilization*” on page 182.

49. *We may not be able to detect or prevent fraud or other misconduct committed by our employees or third parties.*

Fraud or other misconduct by our employees, such as unauthorized business transactions, leaking of confidential information especially in relation to products under development, bribery and breach of any applicable law or our internal policies and procedures, or by third parties, such as breach of law may be difficult to detect or prevent. It could subject us to financial loss and sanctions imposed by governmental authorities while seriously damaging our reputation. This may also impair our ability to effectively attract prospective stakeholders, obtain financing on favorable terms and conduct other business activities.

In particular, we may face risks with respect to fictitious or other fraudulent activities or sale of counterfeit drugs by personnel involved in our operations. Our risk management systems, information technology systems and internal control procedures are designed to monitor our operations and overall compliance. However, there can be no assurance that the measures we have implemented to detect and reduce the occurrence of fraudulent activities would be effective in combating fraudulent transactions or improving overall satisfaction among our stakeholders. Therefore, we are subject to the risk that fraud or other misconduct may have previously occurred but remains undetected, or may occur in the future. Any such event could materially and adversely affect our business, reputation, financial condition and prospects.

50. *We may need additional capital for future growth of our business but may not be able to obtain such on favorable terms or at all.*

We may require additional cash resources due to operating losses or future growth and development of our business, including any investments or acquisitions we may decide to pursue. If our cash resources are insufficient to satisfy our cash requirements, we may seek to issue additional equity or debt securities or obtain new or expanded credit facilities. Our ability to obtain external financing in the future is subject to a variety of uncertainties, including our future financial condition, results of operations, cash flows, share price performance, liquidity of international capital and lending markets and Indian governmental regulations over foreign investment and the Indian pharmaceutical industry. In addition, incurring indebtedness would subject us to debt service obligations and could result in operating and financing covenants that would restrict our operations.

There can be no assurance that financing would be available in a timely manner or in amounts or on terms favorable to us, or at all. Any failure to raise needed funds on terms favorable to us, or at all, could severely restrict our liquidity as well as have a material adverse effect on our business, financial condition and results of operations. Moreover, any issuance of equity or equity-linked securities could result in significant dilution to our existing shareholders.

51. *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 depends on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants that may be present in our financing arrangements in the future. The declaration and payment of dividends is on the recommendation of the Board of Directors and approval by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. 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. 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. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders’ investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

Furthermore, our Subsidiaries may not pay dividends on shares that we hold in them. Consequently, our Company may not receive any return on investments in our Subsidiaries.

52. *Our international operations expose us to complex management, legal, tax and economic risks.*

As of the date of this Draft Red Herring Prospectus, we have established subsidiaries in the United States, United Kingdom, Spain, Ukraine, South Africa, Nigeria, Malaysia, Russia, and the Philippines, and a branch office in Kazakhstan and an associate in Indonesia, which play an important role in liaising and managing our operations in these markets. We also rely on co-marketing arrangements with companies located in such jurisdictions to enable us to accelerate the licensing of our products in these markets and to provide additional marketing opportunities for our products. As a result, we are subject to risks related to our international expansion strategy, including those related to complying with a wide variety of local laws and restrictions on the import and export of certain intermediates, formulations, multiple tax and cost structures, and cultural and language factors.

We are also subject to regulations of the Foreign Exchange Management Act, 1999 (“**FEMA**”) in relation to investments or divestments we make outside India and as a result, we are subject to related regulatory risks. For instance, while we have divested from some of our subsidiaries/joint venture, during the period between 2013 to 2017, we are yet to formally close some of the unique identification numbers (“**UIN**”) associated with these subsidiaries/joint venture due to certain filing and reporting non-compliances under the applicable FEMA regulations. In this regard, with respect to our divestment from one of our joint ventures in 2017, the RBI has by way of its letter dated February 10, 2022 observed certain contraventions such as subscription to the memorandum of association of the joint venture by our Company prior to the date of the first remittance, delay in submission of Form ODI for a past financial commitment, delay in submitting annual performance reports for certain past financial years, divestment without obtaining fair valuation and delay in repatriation of the divestment proceeds and our Company has been advised to compound the aforesaid contraventions. While we are in the process of rectifying the non-compliances and the reporting requirements with respect to remittances among our Company and our foreign subsidiaries in the past, we cannot assure you that the RBI will ratify these transactions and accordingly we may be subject to penalties, proceedings or settlement amounts from the RBI in respect of these transactions. We have, in the past, paid compounding penalties to the RBI on account of such contraventions. We are not at present able to quantify the financial implications on our Company in case a regulatory authority raises any concerns or penalizes us for any non-compliance.

Additionally, the accounting standards, tax laws and other fiscal regulations in the jurisdictions we operate in are subject to differing interpretations. Differing interpretations of tax and other laws and regulations may exist within various governmental ministries, including tax administrations and appellate authorities, thus creating uncertainty and potential unexpected results. Due to our limited operating history in certain of these international jurisdictions, we may be less familiar with the interpretation of certain accounting and taxation standards and be exposed to risks as a result of non-compliance with such standards. The degree of uncertainty in tax laws and regulations, combined with significant penalties for default and a risk of aggressive action by various government or tax authorities, may result in our tax risks being significantly higher than expected. We cannot assure you that we would continue to be eligible for certain tax rates or any other benefits. The reduction or termination of our tax incentives, if any, or non-compliance with the conditions under which such tax incentives are made available, will increase our tax liability and may adversely affect our business, prospects, results of operations and financial condition.

Further, we may face competition in other countries from companies that may have more experience with operations in such countries or with international operations generally. We may also face difficulties in integrating new facilities in different countries into our existing operations, as well as integrating employees that we hire in different countries into our existing corporate culture. If we do not effectively manage our international operations and the operations of our overseas subsidiaries, it may affect our profitability from such countries, which may adversely affect our business, financial condition and results of operations.

53. *An inability to maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.*

Our operations are subject to various risks inherent in the manufacturing industry including defects, malfunctions and failures of manufacturing equipment, fire, riots, strikes, explosions, loss-in-transit for our products, accidents and natural disasters. While we believe that we maintain insurance coverage customary for the industry we operate in, our insurance may not be adequate to completely cover any or all of our risks and liabilities. Furthermore, since the pharmaceutical industry is a highly regulated industry in terms of

environmental and pollution norms in India, it becomes imperative for businesses operating in the pharmaceutical industries to cover for environmental and pollution related losses through insurance. There can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time, or that we have obtained sufficient insurance to cover all our losses. Our inability to maintain adequate insurance cover in connection with our business could adversely affect our operations and profitability. Furthermore, to the extent that we are required to maintain insurance cover under our business contracts and we have not obtained adequate insurance, contractual remedies for breach of terms may be commenced against us. To the extent that we suffer loss or damage as a result of events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected. For further information on our insurance arrangements, see “*Our Business – Insurance*” on page 187.

54. *Our customers/ distributors may engage in certain transactions in or with countries or persons that are subject to U.S. and other sanctions.*

U.S. law generally prohibits U.S. persons from directly or indirectly investing or otherwise doing business in or with certain countries that are the subject of comprehensive sanctions and with certain persons or businesses that have been specially designated by the OFAC or other U.S. government agencies. Other governments and international or regional organizations also administer similar economic sanctions. Our customers/ distributors may be located in jurisdictions to which certain OFAC-administered and other sanctions apply. Although we believe we have compliance systems in place that are sufficient to block prohibited transactions, there can be no assurance that we will be able to fully monitor all of our transactions for any potential violation. For example, we have, previously and may continue to distribute essential pharmaceutical drugs and APIs into Iran. If it were determined that the transactions in which we participate violate U.S. or other sanctions, we could be subject to penalties, and our reputation and future business prospects could be adversely affected. Furthermore, investors in the Equity Shares could incur reputational or other risks as a consequence.

55. *Industry information included in this Draft Red Herring Prospectus has been derived from the IQVIA Dataset and IQVIA Report exclusively commissioned by our Company solely for the purposes of the Offer.*

We have exclusively commissioned and availed the services of an independent third-party research agency, IQVIA, to prepare the IQVIA Report and IQVIA Dataset, solely for the purposes of this Offer, for inclusion of such information in this Draft Red Herring Prospectus. We appointed IQVIA to prepare the IQVIA Report and IQVIA Dataset pursuant to an agreement dated December 13, 2021. We have no direct or indirect association with IQVIA other than as a consequence of such an engagement. The IQVIA Report and IQVIA Dataset are paid report and dataset, respectively, and is subject to various limitations and based upon certain assumptions that are subjective in nature.

IQVIA computes revenues for the sales of pharmaceutical products based on their research on sales of products in certain pharmaceutical markets and in relation to specific geographic areas. The methodology for computation of revenues by IQVIA, including for our products, is different from the methodology we adopt for the recognition of revenue from the sales of our products under Ind AS, reflected in the Restated Financial Statements included in this Draft Red Herring Prospectus. Accordingly, the sales, market share and other financial data sourced to IQVIA may not accurately reflect our revenues, results of operations and financial results for the products/therapeutic areas covered. Investors should read the industry related disclosures in this Draft Red Herring Prospectus in this context. 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. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus. While we believe such data to be true, we cannot assure you that they are complete or reliable. Accordingly, investors should read the industry related disclosure in this Draft Red Herring Prospectus in this context and should not base their investment decision solely on the information in the IQVIA Report and IQVIA Dataset. For the disclaimer associated with the IQVIA Report, see “*Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation*” on page 28.

56. *Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.*

The industry in which we operate is continually changing due to technological advances, scientific discoveries and novel chemical processes, with constant introduction of new and enhanced products. These changes result in the frequent introduction of new products and significant price competition. Although we strive to maintain and upgrade our technologies, facilities and machinery consistent with current international standards, we cannot assure you that we will be able to successfully make timely and cost-effective enhancements and additions to our technological infrastructure, keep up with technological improvements in order to meet our customers' needs or that the technology developed by others will not render our products less competitive or attractive. The cost of implementing new technologies for our operations could be significant, which could adversely affect our business, financial condition, results of operations and cash flows.

- 57. *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, ROCE, Fixed Asset Turnover and Net Asset Value per Equity Share 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.

EXTERNAL RISK FACTORS

- 58. *Our business is subject to reforms in the health care industry and the uncertainty associated with pharmaceutical pricing, reimbursement and related matters.***

In India, pharmaceutical prices are subject to regulation and the Government has been actively reviewing prices for pharmaceuticals and margins offered to trade. The existence of price controls can limit the revenues we earn from our products. India enacted the National Pharmaceuticals Pricing Policy in 2012, which lays down the principles for pricing essential drugs as specified in the National List of Essential Medicines – 2011 (“NLEM”) to ensure the availability of such medicines at reasonable prices. As a result, a number of drug formulations were identified as essential drugs and were added to India's NLEM and these drugs are subjected to price controls in India. On May 15, 2013, the Department of Pharmaceuticals released the revised Drug Prices Control Order, 2013 (the “DPCO 2013”). DPCO 2013 prescribes the ceiling price of scheduled formulations, the retail price of a new drug for existing manufacturers of scheduled formulations and the maximum retail price of scheduled formulations. Under the DPCO 2013, the Central Government may issue directions to the manufacturers of APIs or bulk drugs and formulations to increase production, or sell such APIs or bulk drugs to formulations manufacturers and direct such manufacturers to sell the formulations to institutions, hospitals or agencies. Under the DPCO 2013, the price of scheduled drugs is determined based on the average market price of the relevant drug, arrived at by considering the prices charged by all companies that have a market share of equal to or more than 1.0% of the total market turnover on the basis of moving annual turnover of the drug. The DPCO 2013 also regulates the margin that can be offered to the trade channels including the retailers.

The National Pharmaceutical Pricing Authority (“NPPA”) may also notify the ceiling price for additional formulations under DPCO 2013 or some or all of the remaining formulations listed in the NLEM. Some of our products are covered in the notification and will be subject to the fixed ceiling prices notified. Our average NLEM exposure as a percentage of our Domestic Sales for Fiscal 2021 was approximately 20% (Source: IQVIA Report).

Under terms of the DPCO 2013, non-compliance with the notified ceiling price or breaching the ceiling price would be tantamount to overcharging the consumer under the order, and the amount charged over and above the ceiling price shall be recovered along with interest thereon from the date of overcharging. Furthermore, noncompliance with the price notification issued by NPPA, could also attract prosecution of the officers of the company under the Essential Commodities Act, 1955 including imprisonment for a term of up to seven years and payment of a fine. Any action against us or our management for violation of the DPCO 2013 may

divert management attention and could adversely affect our business, prospects, results of operations and financial condition.

In October 2015, our Company received a demand notice of ₹ 651.84 million raised by the NPPA for alleged overcharging of Doxoril 400 Tabs under paragraph 13 of the Drugs (Prices Control) Order, 1995. Our Company has filed a writ petition before the Delhi High Court to challenge the notice. For more details, see “*Outstanding Litigation and Material Developments – Litigation involving our Company – Litigation by our Company – Material Civil Litigation*” on page 439.

Furthermore, if our ability to freely set prices for our products is restricted by government regulation, healthcare legislation and pressure from third parties, our revenues and our profits may be reduced. While we cannot predict the nature of the measures that may be adopted by governmental organizations or their effect on our business and revenues, the announcement or adoption of such proposals may affect our result of operations.

59. *We may need to comply with compulsory licensing by the Indian Patent Office or by the patent offices in those jurisdictions where we distribute our products.*

Compulsory licensing refers to a government’s permit to a 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, the Patent Act of 1970 provides for compulsory licensing in 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 and results of operations.

60. *We may be affected by competition law in India and if there is any adverse application or interpretation of the Competition Act, 2002.*

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.

Furthermore, 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 customers in the relevant market is presumed to have an appreciable adverse effect on competition in the relevant market in India and shall be void. The Competition Act also 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.

There are currently two cases involving our Company pending before the National Company Law Appellate Tribunal for alleged violations of Sections 3 and 4 of the Competition Act. These cases arose from certain stockists of our Company alleging that our Company has abused its dominant position by ceasing the supply of medicines to them and creating entry barriers for new entrants. For details, see “*Outstanding Litigation and Material Developments – Litigation involving our Company – Litigation against our Company – Actions taken by Regulatory and Statutory Authorities*” on page 437.

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, cash flows and prospects.

61. *Changing regulations in India could lead to new compliance requirements that are uncertain.*

The regulatory and policy environment in which we operate is evolving and is subject to change. The GoI may implement new laws or other regulations and policies that could affect the manufacturing industry and the pharmaceutical industry, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the GoI and other regulatory bodies, or impose onerous requirements. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations. Furthermore, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. Any changes to such laws, may adversely affect our future business, prospects, financial condition, cash flows and results of operations.

For instance, due to the COVID-19 pandemic, the Government of India passed the Taxation and Other Laws (Relaxation of Certain Provisions) Act, 2020, implementing relaxations from certain requirements under the Central Goods and Service Tax Act, 2017 and Customs Tariff Act, 1975. Further, the Government of India announced the Union Budget for Fiscal 2022 (“**Budget 2022**”), pursuant to which the Finance Bill 2022 has proposed various amendments which will only come into effect upon receipt of Presidential assent to the bill.

The Government has also proposed an alteration in 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 R&D use. On the Goods and Service Tax front, the Government has proposed to restrict the availability of input tax credits if a vendor has been non-compliant. The abovementioned changes may have an adverse effect on our future business, prospects, financial condition, cash flows and results of operations.

We have not fully determined the impact of these recent and proposed laws and regulations on our business. We cannot predict whether any amendments proposed by the Finance Bill 2022 will have an adverse effect on our business, financial condition and results of operations. Unfavorable 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 impact the viability of our current businesses or restrict our ability to grow our businesses in the future. The Finance Act of 2021 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 of consideration through a depository, the onus will be on the transferor.

There can be no guarantee that we will be able to comply with any increased or more stringent regulatory requirements, in part or at all. Failure to comply with such further regulatory requirements could lead to regulatory actions, including penalties, which may have an adverse effect on our future business, prospects, financial condition, cash flows and results of operations.

62. A downgrade in credit ratings of India, may affect the trading price of the Equity Shares.

Any borrowing costs that we may incur in the future, and access to the debt capital markets that we may pursue, will depend significantly on the credit ratings of India. India’s sovereign rating decreased from Baa2 with a “negative” outlook to Baa3 with a “negative” outlook by Moody’s and from BBB with a “stable” outlook to BBB with a “negative” outlook (Fitch) in June 2020; and from BBB “stable” to BBB “negative” by DBRS Morningstar in May 2020. India’s sovereign ratings from S&P is BBB- with a “stable” outlook in September 2020. In May 2021, DBRS changed India’s sovereign rating from BBB with a “negative” outlook to BBB (low) with a “stable” outlook. Furthermore, in October 2021, Moody affirmed India’s sovereign rating of Baa3 with a “stable” outlook which has been upgraded from ‘negative’. Any further adverse revisions to India’s credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India’s credit ratings may occur, for reasons beyond our control such as, upon a change of government tax or fiscal policy. This could have an adverse effect on our ability to fund our growth on favorable terms or at all, and consequently adversely affect our business and financial performance and the price of the Equity Shares.

63. *Political changes, natural disasters and other macroeconomic factors could adversely affect economic conditions in India.*

Our Company is incorporated in India and the majority of its assets are located in India. Consequently, our performance and the market price of the Equity Shares may be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

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 customers and Indian corporations; epidemic, pandemic or any other public health crisis in India or in countries in the region or globally, including in India's various neighboring countries, such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 pandemic; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries; occurrence of natural or man-made disasters (such as typhoons, flooding, earthquakes and fires) which may cause us to suspend our operations; prevailing regional or global economic conditions, including in India's principal export markets; international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws; protectionist and other adverse public policies, including local content requirements, import/export tariffs, increased regulations or capital investment requirements; downgrading of India's sovereign debt rating by rating agencies; 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.

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 and financial condition and the price of the Equity Shares.

64. *Financial instability in other countries may cause increased volatility in Indian financial markets.*

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

Furthermore, economic developments globally can have a significant impact on India. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. Significant political, regulatory and economic uncertainty remains about how the precise terms of the relationship between the parties will differ from the terms before withdrawal, and more generally, as to the impact of Brexit on the general economic conditions in the United Kingdom and the European economies and any consequential impact on global financial markets. For example, Brexit could give rise to increased volatility in foreign exchange rate movements and the value of equity and debt investments.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. Risks resulting from a relapse in the Eurozone crisis or any future debt crisis in Europe or any similar crisis could have a detrimental impact on consumer confidence levels and global economic recovery. These factors may also result in a slowdown in India's export growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing

effects. Any significant financial disruption could have a material adverse effect on our business, financial condition, cash flows and results of operation.

These developments, or the perception that any related developments could occur, have had and may continue to have a material adverse effect on global economic conditions and financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

65. *If inflation 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 relative to developed countries 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 consumers, 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, prospects, financial condition, results of operations and cash flows. Furthermore, 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.

66. *Significant differences exist between Indian Accounting Standards (“Ind AS”) and other accounting principles, such as Indian Generally Accepted Accounting Principles (“Indian GAAP”), International Financial Reporting Standards (“IFRS”) and United States Generally Accepted Accounting Principles (“U.S. GAAP”), which may be material to investors’ assessments of our financial condition, result of operations and cash flows.*

Our Restated Consolidated Financial Information as at and for the Fiscals 2019, 2020, 2021 and the six months ended September 30, 2021, included in this Draft Red Herring Prospectus are presented in accordance with Ind AS, and 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 Prospectuses (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. Accordingly, the degree to which the Financial Statements, which are restated as per the SEBI ICDR Regulations and included in this Draft Red Herring Prospectus, will provide meaningful information is entirely dependent on the reader’s level of familiarity with Ind AS. 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.

67. *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. Accordingly, our ability to raise foreign capital may be constrained.*

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Furthermore, under applicable foreign exchange regulations in India, 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 under applicable law. If a transfer of shares is not in compliance with such requirements and does not fall under any of the permissible exceptions, then prior approval of the relevant regulatory authority is required. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness.

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. Furthermore, this conversion is subject to the shares having been held on a repatriation basis and, either the security having been sold in compliance with the pricing guidelines or, the relevant regulatory approval having been obtained for the sale of shares and corresponding remittance of the sale proceeds. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. 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.

Further to Press Note 3 of 2020, dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade (“**DPIIT**”), the foreign direct investment policy has been recently amended to state that all investments under the foreign direct investment route 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 will require prior approval of the GoI. 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 GoI. On April 22, 2020, the Ministry of Finance, GoI has also made similar amendment to the FEMA Rules. While the term “beneficial owner” is defined under the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 and the General Financial Rules, 2017, neither the foreign direct investment policy nor the FEMA Rules provide a definition of the term “beneficial owner”. The interpretation of “beneficial owner” and enforcement of this regulatory change involves certain uncertainties, which may have an adverse effect on our ability to raise foreign capital. Furthermore, there is uncertainty regarding the timeline within which the said approval from the GoI may be obtained, if at all.

Risks Related to the Offer

68. *Our 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. Furthermore, the Offer Price 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 does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book-building process 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. The Offer Price will be based on numerous factors, as described in the section “*Basis for Offer Price*” on page 105. This price may not necessarily be indicative of the market price of our Equity Shares after the Offer is completed. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. Consequently, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Offer Price, or at all, and may as a result lose all or a part of your investment.

Our Equity Shares are expected to trade on NSE and BSE after the Offer, but there can be no assurance that active trading in our Equity Shares will develop after the Offer, or if such trading develops, that it will continue. Investors may not be able to sell our Equity Shares at the quoted price if there is no active trading in our Equity Shares.

There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share price could fluctuate significantly because of market volatility. A decrease in the market price of our Equity Shares could cause investors to lose some or all of their investment.

69. *Investors may be subject to Indian taxes arising out of income arising on the sale of the Equity Shares.*

Under current Indian tax laws and regulations, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. 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. 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. The rates of capital gain tax depend upon certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Accordingly, investors may be subject to payment of capital gains tax in India, in addition to payment of securities transaction tax (“**STT**”) which will be levied and collected by an Indian stock exchange on which equity shares are sold.

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.

70. *Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Offer.*

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in this Offer and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately five Working Days from the Bid Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Bid Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise commence trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

71. *Qualified Institutional Buyers ("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 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 Bid/Offer Closing Date. While our Company is required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed including Allotment pursuant to the Offer within six Working Days from the Bid/Offer Closing Date, 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. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events 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 on listing.

72. *Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.*

The initial public offering price will be determined by the Book Building Process and may not be indicative of prices that will prevail in the open market following the Offer. The market price of the Equity Shares may be influenced by many factors, some of which are beyond our control, including: the failure of security analysts to cover the Equity Shares after this Offer, or changes in the estimates of our performance by analysts; the activities of competitors and business partners; future sales of the Equity Shares by our Company or our shareholders; investor perception of us and the industry in which we operate; our quarterly or annual earnings or those of our competitors; developments affecting fiscal or industrial regulations; results of operations that vary from the expectations of securities analysts and investors; fluctuations in stock market prices and volume; the public's reaction to our press releases and adverse media reports; and general economic and stock market conditions.

As a result of these factors, investors may not be able to resell their Equity Shares at or above the initial public offering price. 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 Company's performance. There can be no assurance that the investor will be able to resell their Equity Shares at or above the Offer Price. A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment.

73. *Investors may have difficulty in enforcing foreign judgments against our Company or our management.*

Our Company is a limited liability company incorporated under the laws of India. The majority of our directors and executive officers are residents of India. A substantial portion of our Company's assets and the assets of our Directors and executive officers resident in India are located in India. As a result, it may be difficult for investors to effect service of process upon us or such persons outside India or to enforce judgments obtained against our Company or such parties outside India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. The United Kingdom, Singapore, United Arab Emirates, Malaysia and Hong Kong, among others, have been declared by the Government of India to be reciprocating territories for purposes of Section 44A of the Civil Code. Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of such section, in any country or territory outside of India which the GoI has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit on the judgment under Section 13 of the Civil Code, and not by proceedings in execution. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except (i) where the judgment has not been pronounced by a court of competent jurisdiction, (ii) where the judgment has not been given on the merits of the case, (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where the judgment has been obtained by fraud, and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Code, a court in India shall, on the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the Civil Code, such presumption may be displaced by proving that the court did not have jurisdiction. The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties.

Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. A final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. Any such suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States or other such jurisdiction within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis as a foreign court if an action is brought in India. Moreover, it is unlikely that an Indian court would award damages to the extent awarded in a final judgment rendered outside India if it believes that the amount of damages awarded were excessive or inconsistent with public policy or Indian law. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI under the FEMA to execute such a judgment or to repatriate any amount recovered.

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

Under the Companies Act, a company having share capital and incorporated in India is required to offer holders of its equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolutions by holders of three-fourths of the equity shares who have voted on such resolutions. However, if the laws of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us 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. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in us would be reduced.

75. *Any future issuance of Equity Shares or convertible securities or other equity linked securities by our Company may dilute your shareholding and sales of the Equity Shares by our major shareholders may adversely affect the trading price of the Equity Shares.*

Any future issuance of the Equity Shares or securities linked to the Equity Shares by our Company, including issuance of Equity Shares to employees or former employees upon exercise of vested options held by them under the ESOP scheme, may dilute your shareholding. Any such future issuance of Equity Shares or future sales of the Equity Shares by any of our significant shareholders may also adversely affect the trading price of the Equity Shares and impact our ability to raise funds through an offering of our securities or by incurring debt. Any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. Additionally, the disposal, pledge or encumbrance of the Equity Shares by any of our significant shareholders, or the perception that such transactions may occur, may affect the trading price of the Equity Shares. There can be no assurance that we will not issue further Equity Shares or that our existing Shareholders will not dispose of further Equity Shares after the completion of the Offer (subject to compliance with the lock-in provisions under applicable law) or pledge or encumber their Equity Shares. Any future issuances could also dilute the value of a shareholder's investment in the Equity Shares and adversely affect the trading price of our Equity Shares. Such securities may also be issued at prices below the Offer Price. We may also issue convertible debt securities to finance our future growth or fund our business activities. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares.

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

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as a shareholder of an entity in another jurisdiction.

SECTION III: INTRODUCTION

THE OFFER

The following table summarizes the Offer details:

Offer of Equity Shares by way of Offer for Sale by the Selling Shareholders ⁽¹⁾⁽²⁾	Up to 60,482,040 Equity Shares aggregating up to ₹[●] million
<i>The Offer consists of:</i>	
(i) Employee Reservation Portion ⁽³⁾	Up to [●] Equity Shares, aggregating to ₹[●] million
(ii) Net Offer	Up to [●] Equity Shares, aggregating to ₹[●] million
<i>The Net offer comprises of:</i>	
A) QIB Portion ⁽⁴⁾⁽⁵⁾	Not more than [●] Equity Shares
<i>of which:</i>	
Anchor Investor Portion ⁽⁴⁾	Up to [●] Equity Shares
Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
<i>of which:</i>	
Available for allocation to Mutual Funds only (5% of the Net QIB Portion) ⁽⁵⁾	[●] Equity Shares
Balance of the Net QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion ⁽⁴⁾	Not less than [●] Equity Shares
C) Retail Portion ⁽⁴⁾	Not less than [●] Equity Shares
Pre-Offer and post-Offer Equity Shares	
Equity Shares outstanding prior to and after the Offer	598,820,400 Equity Shares
Use of Proceeds	Our Company will not receive any proceeds from the Offer for Sale. For further details, see “Objects of the Offer” beginning on page 103.

⁽¹⁾ The Offer has been authorized by a resolution passed by our Board of Directors at their meeting held on February 3, 2022.

⁽²⁾ 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 filing this Draft Red Herring Prospectus with SEBI or are otherwise eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. The Selling Shareholders have confirmed and approved their participation in the Offer for Sale as set out below:

Selling Shareholder	Number of Offered Shares	Amount of Offered Shares (In ₹ million)	Date of consent letter
Girdharilal Bawri	Up to 6,370,275 Equity Shares	Up to [●]	February 3, 2022
Banwarilal Bawri	Up to 8,955,582 Equity Shares	Up to [●]	February 3, 2022
Dr. Rajendra Agarwal	Up to 5,280,514 Equity Shares	Up to [●]	February 3, 2022
Prateek Agarwal	Up to 7,630,901 Equity Shares	Up to [●]	February 3, 2022
Ajay Agarwal	Up to 6,582,955 Equity Shares	Up to [●]	February 3, 2022
Vijay Agarwal	Up to 6,313,461 Equity Shares	Up to [●]	February 3, 2022
Anju Agarwal	Up to 4,933,239 Equity Shares	Up to [●]	February 3, 2022
Gauri Agarwal	Up to 4,893,242 Equity Shares	Up to [●]	February 3, 2022
Dr. Ruchi Agarwal	Up to 4,851,700 Equity Shares	Up to [●]	February 3, 2022
Sudha Bawri	Up to 2,678,815 Equity Shares	Up to [●]	February 3, 2022
Shalini Kedia	Up to 805,996 Equity Shares	Up to [●]	February 3, 2022
Anushree Agarwal	Up to 694,490 Equity Shares	Up to [●]	February 3, 2022
Taradevi Bawri	Up to 490,870 Equity Shares	Up to [●]	February 3, 2022

⁽³⁾ 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 (net of Employee Discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000 (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation up to ₹500,000), shall be added to the Net Offer. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid under the Net Offer and such Bids will not be treated as multiple Bids. The Employee Reservation Portion shall not exceed [●]% of our post-Offer paid-up Equity Share capital. For further details, see “Offer Structure” on page 475. Our Company and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers, may offer a discount of up to [●]% to the Offer Price (equivalent of ₹[●] per Equity Share) to Eligible Employees, bidding in the Employee Reservation Portion, in accordance with the SEBI ICDR Regulations.

⁽⁴⁾ 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 and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange, subject to applicable laws.

⁽⁵⁾ Our Company and the Promoter Selling Shareholders shall, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI 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. 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 QIB Bidders other than Anchor Investors, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. The Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders other than Anchor Investors, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. For details, see “Offer Procedure” on page 479.

Allocation to Bidders in all categories except the Anchor Investor Portion and the Retail Portion, if any, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each RIBs, 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 proportional basis. For further details, see “Offer Procedure” on page 479.

For details of the terms of the Offer, see “Terms of the Offer” on page 469.

SUMMARY OF RESTATED CONSOLIDATED FINANCIAL INFORMATION

The following tables provide the summary of financial information of our Company derived from the Restated Consolidated Financial Information as at and for the six months ended September 30, 2021 and the Financial Years ended March 31, 2021, March 31, 2020 and March 31, 2019.

The Restated Consolidated Financial Information referred to above are presented under “Financial Information” on page 235. The summary of financial information presented below should be read in conjunction with the “Restated Consolidated Financial Information”, “Pro Forma Consolidated Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 235, 358 and 394, respectively.

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RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(in ₹ million, except for share data and if otherwise stated)

	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
ASSETS				
(1) NON-CURRENT ASSETS				
(a) Property, Plant and Equipment	14,158.61	13,407.70	10,176.80	9,375.18
(b) Capital Work-in-Progress	2,796.07	2,527.54	2,106.07	503.79
(c) Investment Properties	264.55	267.01	271.90	99.69
(d) Right-Of-Use Assets	618.21	621.86	596.48	220.49
(e) Goodwill	-	-	28.40	28.40
(f) Intangible Assets	50.95	56.65	64.20	54.64
(g) Intangible Assets under Development	14.89	-	-	-
(h) Investment in Equity accounted investees	235.02	103.45	102.49	0.01
(I) Financial Assets				
(i) Investments	43.56	43.56	9,355.02	7,995.69
(ii) Loans	907.30	2.07	3.74	2.33
(iii) Other Financial Assets	1,520.04	1,981.72	21,108.17	3,205.96
(j) Income Tax Assets (Net)	937.78	538.41	758.17	692.58
(k) Deferred Tax Assets	7,307.65	6,569.93	6,301.69	5,624.92
(l) Other Non-Current Assets	133.38	536.83	561.46	374.06
Total Non-Current Assets	28,988.01	26,656.73	51,434.59	28,177.74
(2) CURRENT ASSETS				
(a) Inventories	16,803.71	15,625.51	9,879.12	8,355.58
(b) Financial Assets				
(i) Investments	6.41	6.44	8,598.96	6,069.02
(ii) Trade Receivables	10,536.42	10,219.73	12,637.66	9,991.34
(iii) Cash and Cash Equivalents	1,504.31	721.47	1,267.46	533.47
(iv) Loans	2.71	4.20	4.45	3.78
(v) Other Financial Assets	5,447.84	1,642.65	8,795.36	21,037.56
(c) Other Current Assets	2,869.22	2,470.64	3,116.27	1,520.20
Total Current Assets	37,170.62	30,690.64	44,299.28	47,510.95
TOTAL ASSETS	66,158.63	57,347.37	95,733.87	75,688.69
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	199.61	199.61	199.61	199.61
(b) Other Equity	43,907.48	37,760.91	75,454.55	59,949.91
Equity attributable to Owners	44,107.09	37,960.52	75,654.16	60,149.52
Non-Controlling Interests	24.30	(12.78)	12.21	(6.76)
Total Equity	44,131.39	37,947.74	75,666.37	60,142.76
LIABILITIES				
(1) Non-Current Liabilities				
(a) Financial Liabilities				
(i) Lease Liabilities	312.69	306.58	311.28	231.57
(ii) Other Financial Liabilities	355.86	334.23	318.21	277.78
(b) Provisions	1,794.55	1,534.26	1,261.53	999.30
(c) Other Non-Current Liabilities	95.98	102.48	115.31	128.18
Total Non-Current Liabilities	2,559.08	2,277.55	2,006.33	1,636.83
(2) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	464.30	797.17	360.68	1,318.55
(ii) Lease Liabilities	41.44	47.09	80.44	-
(iii) Trade Payables				
- Total outstanding Due to micro and small enterprises	865.57	747.86	632.18	742.72
- Total outstanding Due to Other than micro and small enterprises	7,626.06	5,925.28	7,066.37	4,530.50
(iv) Other Financial Liabilities	3,729.87	2,539.21	3,020.14	2,102.78
(b) Other Current Liabilities	1,108.70	976.57	898.21	783.52
(c) Provisions	5,632.22	6,088.90	6,003.15	4,431.03
Total Current Liabilities	19,468.16	17,122.08	18,061.17	13,909.10
Total Liabilities	22,027.24	19,399.63	20,067.50	15,545.93
TOTAL EQUITY AND LIABILITIES	66,158.63	57,347.37	95,733.87	75,688.69

RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(in ₹ million, except for share data and if otherwise stated)

	For the six months period ended September 30, 2021	For the Financial Year March 31, 2021	For the Financial Year March 31, 2020	For the Financial Year March 31, 2019
1. INCOME				
(I) Revenue From Operations	40,801.55	71,994.16	69,028.16	58,704.35
(II) Other Income	135.46	5,500.68	3,593.17	4,424.63
Total Income	40,937.01	77,494.84	72,621.33	63,128.98
2. EXPENDITURE				
(I) Cost of Material Consumed	11,493.96	15,786.57	16,315.90	15,361.05
(II) Purchase of Stock-in-Trade	5,813.74	11,976.36	9,557.75	6,588.77
(III) Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	(1,418.85)	(4,071.89)	(887.34)	507.98
(IV) Employee Benefits Expense	8,131.08	12,826.34	11,589.69	9,892.57
(V) Finance Costs	31.64	63.02	77.60	56.41
(VI) Depreciation and Amortization Expenses	798.23	1,344.00	1,304.21	1,229.36
(VII) Other Expenses	9,082.75	14,510.18	16,065.54	14,314.03
Total Expenditure	33,932.55	52,434.58	54,023.35	47,950.17
Profit Before Tax	7,004.46	25,060.26	18,597.98	15,178.81
3. TAX EXPENSES				
Current Tax	1,324.14	5,074.86	3,514.06	3,312.85
Deferred Tax/(Credit)	(692.60)	(242.08)	(637.23)	(2,368.63)
Total Tax Expense	631.54	4,832.78	2,876.83	944.22
Profit after Tax before share of Profit/(loss) from associates	6,372.92	20,227.48	15,721.15	14,234.59
Share of Profit/(loss) from associates	7.59	0.96	-	(0.02)
Profit for the Period/Year	6,380.51	20,228.44	15,721.15	14,234.57
Profit for the Period/Year attributable to Owners	6,325.65	20,206.04	15,675.43	14,205.23
Profit attributable to Non-Controlling Interests	54.86	22.40	45.72	29.34
Total	6,380.51	20,228.44	15,721.15	14,234.57
4. OTHER COMPREHENSIVE INCOME				
(A) (I) Items that will not be reclassified to Profit or Loss	(129.13)	(74.72)	(113.08)	(58.85)
(II) Income Tax Relating to these items	45.12	26.11	39.52	20.57
(B) (I) Items that will be reclassified to profit or loss	(112.85)	(96.11)	(123.98)	(204.81)
Total Other Comprehensive Income/(Loss)	(196.86)	(144.72)	(197.54)	(243.09)
Other Comprehensive Income attributable to Owners	(179.08)	(97.33)	(170.79)	(233.06)
Other Comprehensive Income attributable to Non-Controlling Interest	(17.78)	(47.39)	(26.75)	(10.03)
TOTAL INCOME FOR THE PERIOD/YEAR	6,183.65	20,083.72	15,523.61	13,991.48
Earnings per Equity Share – Basic and Diluted (Face Value Rs. 1/- each) (Not annualized for the period ended September 30, 2021)*	10.56	33.74	26.18	23.72

* Earnings per Share is calculated after considering retrospective effect of sub-division of Equity Shares and issue of bonus Equity Shares in January, 2022 as per Ind AS 33: Earnings Per Share.

RESTATED CONSOLIDATED CASH FLOW STATEMENT

(in ₹ million, except for share data and if otherwise stated)

Particulars	For the six months period ended September 30, 2021	For the Financial Year March 31, 2021	For the Financial Year March 31, 2020	For the Financial Year March 31, 2019
Cash flow from operating activities				
Net profit before tax	7,004.46	25,060.26	18,597.98	15,178.81
Adjustments for:				
Depreciation/ Amortisation expense	798.23	1,344.00	1,304.21	1,229.36
Finance cost	31.64	63.02	77.60	56.41
Interest income	(102.55)	(2,180.29)	(2,580.27)	(1,624.20)
Income from investments- dividends	(0.02)	(65.71)	(45.84)	(32.90)
Loss/(Profit) on Sale of Property, Plant and Equipment	0.46	(0.18)	5.70	0.13
Expected Credit Loss	17.50	(3.16)	11.83	11.79
(Gain)/Loss on sale of financial instruments	-	(438.16)	(40.96)	(2,325.60)
Unrealised (Gain)/Loss on financial instruments	-	(2,127.68)	855.41	1,274.16
Operating profit before working capital changes	7,749.72	21,652.10	18,185.66	13,767.96
Adjustments for changes in working capital:				
Decrease/(increase) in inventories	(1,178.20)	(5,746.39)	(1,523.54)	(448.03)
Decrease/(increase) in trade receivables	(316.69)	2,417.93	(2,646.32)	(2,178.20)
Decrease/(increase) in other current assets	58.46	117.93	(2,043.56)	(225.14)
Decrease/(increase) in other non-current assets	(12.76)	54.34	250.37	268.94
Increase/(decrease) in trade payables	1,818.49	(1,025.41)	2,425.33	(1,418.07)
Increase/(decrease) in other current liabilities	1,295.61	(292.51)	804.03	235.43
Increase/(decrease) in other non-current liabilities	15.13	3.19	27.56	9.14
Increase/(decrease) in short-term provisions	(196.39)	358.48	1,834.35	784.47
Cash generated from operations	9,233.37	17,539.66	17,313.88	10,796.50
Taxes paid (including tax deducted at source)	(1,723.51)	(4,855.10)	(3,579.65)	(3,854.36)
Net cash from operating activities (A)	7,509.86	12,684.56	13,734.23	6,942.14
Cash flow from investing activities				
Purchase of Property, Plant and Equipment	(1,399.21)	(5,240.68)	(4,158.72)	(1,470.55)
Proceeds from sale of Property, Plant and Equipment	66.54	100.28	107.00	81.87
Purchase of intangible asset under development	(14.89)	-	-	-
Investment in equity accounted investee	(123.98)	-	(102.48)	-
Cash flows on account of de-merger activities	(3,704.69)	1,953.83	-	-
(Purchase)/sale of investments (Net)	-	(9,147.49)	(4,703.73)	10,357.93
(Purchase)/redemption of fixed deposits (Net)	(4.65)	(2,719.10)	(5,285.08)	(17,462.03)
Loans (given)/repayments (Net)	(905.23)	1.67	(1.41)	0.65
Interest received	25.83	1,609.90	2,452.83	603.89
Dividend received	0.02	65.71	45.84	32.90
Net cash used in investing activities (B)	(6,060.26)	(13,375.88)	(11,645.75)	(7,855.34)
Cash flow from financing activities				
Proceeds/(repayment) of short term borrowings (net)	(332.87)	436.49	(957.87)	960.37
Interest paid	(16.60)	(31.24)	(51.60)	(41.08)
Dividend paid (including dividend distribution tax)	-	-	-	(240.64)
Payment of lease liabilities	(58.52)	(110.30)	(76.33)	(47.29)
Net cash from/(used in) financing activities (C)	(407.99)	294.95	(1,085.80)	631.36
Net increase/(decrease) in cash and cash equivalents (A+B+C)	1,041.61	(396.37)	1,002.68	(281.84)
Cash and cash equivalents at the beginning of the period/ year	721.47	1,267.46	533.47	1,099.74
Exchange fluctuation on cash and cash equivalents	(258.77)	(149.62)	(268.69)	(284.43)
Cash and cash equivalents at the end of the period/ year	1,504.31	721.47	1,267.46	533.47

SUMMARY OF PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The following tables provide the summary of the Pro Forma Consolidated Financial Information (to be read in conjunction with “*Basis of Preparation in the Pro Forma Consolidated Financial Information*” on page 368) as at and for the years ended March 31, 2019, 2020 and 2021, and the six months ended September 30, 2021, to illustrate the impact of a proposed demerger of investment division as set out in “*Basis of preparation*” section of the Pro Forma Consolidated Financial Information, on our financial position of our Company, Subsidiaries and Associate as at September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019 and its financial performance for the period/years ended September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019 as if the demerger had taken place at April 1, 2018, i.e. beginning of the earliest period presented. For further details, see “*History and Certain Corporate Matters – Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last 10 years*” and “*Risk Factors - The Pro Forma Consolidated Financial Information included in this Draft Red Herring Prospectus to reflect the divestment of our investment division from our Company is not indicative of our expected results or operations in the future periods or our future financial position or a substitute for our past results.*” on pages 201 and 42, respectively.

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PRO FORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(in ₹ million, except for share data and if otherwise stated)

	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
ASSETS				
(1) NON-CURRENT ASSETS				
(a) Property, Plant and Equipment	14,158.61	13,407.70	10,141.15	9,339.53
(b) Capital Work-in-Progress	2,796.07	2,527.54	2,106.07	503.79
(c) Investment Properties	264.55	267.01	271.90	99.69
(d) Right-Of-Use Assets	618.21	621.86	596.48	220.49
(e) Goodwill	-	-	-	-
(f) Intangible Assets	50.95	56.65	64.20	54.64
(g) Intangible Assets under Development	14.89	-	-	-
(h) Investment in Equity accounted investees	235.02	103.45	102.49	0.01
(I) Financial Assets				
(i) Investments	43.56	43.56	19.11	19.11
(ii) Loans	907.30	2.07	3.74	2.33
(iii) Other Financial Assets	1,520.04	1,981.72	58.18	287.85
(j) Income Tax Assets (Net)	2,456.03	2,056.66	1,316.55	1,124.00
(k) Deferred Tax Assets	8,263.37	7,525.65	7,182.47	5,898.55
(l) Other Non-Current Assets	133.38	536.83	561.46	374.06
Total Non-Current Assets	31,461.98	29,130.70	22,423.80	17,924.05
(2) CURRENT ASSETS				
(a) Inventories	16,803.71	15,625.51	9,879.12	8,355.58
(b) Financial Assets				
(i) Investments	6.41	6.44	-	-
(ii) Trade Receivables	10,536.42	10,219.73	12,637.66	9,986.25
(iii) Cash and Cash Equivalents	1,504.31	721.47	1,267.46	533.47
(iv) Loans	2.71	4.20	4.45	3.78
(v) Other Financial Assets	27,007.17	23,201.98	16,557.45	8,626.88
(c) Other Current Assets	2,869.22	2,470.64	3,116.09	1,520.02
Total Current Assets	58,729.95	52,249.97	43,462.23	29,025.98
TOTAL ASSETS	90,191.93	81,380.67	65,886.03	46,950.03
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	199.61	199.61	199.61	199.61
(b) Other Equity	67,940.78	61,794.21	45,606.76	31,211.32
Equity attributable to Owners	68,140.39	61,993.82	45,806.37	31,410.93
Non-Controlling Interests	24.30	(12.78)	12.21	(6.76)
Total Equity	68,164.69	61,981.04	45,818.58	31,404.17
LIABILITIES				
(1) Non-Current Liabilities				
(a) Financial Liabilities				
(i) Lease Liabilities	312.69	306.58	311.28	231.57
(ii) Other Financial Liabilities	355.86	334.23	318.21	277.78
(b) Provisions	1,794.55	1,534.26	1,261.53	999.30
(c) Other Non-Current Liabilities	95.98	102.48	115.31	128.18
Total Non-Current Liabilities	2,559.08	2,277.55	2,006.33	1,636.83
(2) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	464.30	797.17	360.68	1,318.55
(ii) Lease Liabilities	41.44	47.09	80.44	-
(iii) Trade Payables				
- Total outstanding Due to micro and small enterprises	865.57	747.86	632.18	742.68
- Total outstanding Due to Other than micro and small enterprises	7,626.06	5,925.28	7,066.34	4,530.50
(iv) Other Financial Liabilities	3,729.87	2,539.21	3,020.14	2,102.78
(b) Other Current Liabilities	1,108.70	976.57	898.19	783.49
(d) Provisions	5,632.22	6,088.90	6,003.15	4,431.03
Total Current Liabilities	19,468.16	17,122.08	18,061.12	13,909.03
Total Liabilities	22,027.24	19,399.63	20,067.45	15,545.86
TOTAL EQUITY AND LIABILITIES	90,191.93	81,380.67	65,886.03	46,950.03

PRO FORMA CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(in ₹ million, except for share data and if otherwise stated)

	For the six months period ended September 30, 2021	For the Financial Year March 31, 2021	For the Financial Year March 31, 2020	For the Financial Year March 31, 2019
1. INCOME				
(I) Revenue from Operations	40,801.55	71,994.16	69,028.16	58,704.35
(II) Other Income	135.46	842.67	1,021.77	399.46
Total Income	40,937.01	72,836.83	70,049.93	59,103.81
2. EXPENDITURE				
(I) Cost of Material Consumed	11,493.96	15,786.57	16,315.90	15,361.05
(II) Purchase of Stock-in-Trade	5,813.74	11,976.36	9,557.75	6,588.77
(III) Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	(1,418.85)	(4,071.89)	(887.34)	507.98
(IV) Employee Benefits Expense	8,131.08	12,826.34	11,589.69	9,892.57
(V) Finance Costs	31.64	63.02	77.60	56.41
(VI) Depreciation and Amortization Expenses	798.23	1,344.00	1,304.21	1,229.36
(VII) Other Expenses	9,082.75	14,510.18	15,208.98	12,945.05
Total Expenditure	33,932.55	52,434.58	53,166.79	46,581.19
Profit Before Tax	7,004.46	20,402.25	16,883.14	12,522.62
3. TAX EXPENSES				
Current Tax	1,324.14	4,413.00	3,222.42	2,748.10
Deferred Tax/(Credit)	(692.60)	(316.97)	(951.23)	(2,146.80)
Total Tax Expenses	631.54	4,096.03	2,271.19	601.30
Profit after Tax before share of Profit/(loss) from associates	6,372.92	16,306.22	14,611.95	11,921.32
Share of Profit/(loss) from associates	7.59	0.96	-	(0.02)
Profit for the Period/Year	6,380.51	16,307.18	14,611.95	11,921.30
Profit for the period/year attributable to Owners	6,325.65	16,284.78	14,566.23	11,891.96
Profit attributable to Non-Controlling Interests	54.86	22.40	45.72	29.34
Total	6,380.51	16,307.18	14,611.95	11,921.30
4. OTHER COMPREHENSIVE INCOME				
(A)(I) Items that will not be reclassified to Profit or Loss	(129.13)	(74.72)	(113.08)	(58.85)
(II) Income Tax relating to these items	45.12	26.11	39.52	20.57
(B)(I) Items that will be reclassified to profit or loss	(112.85)	(96.11)	(123.98)	(204.81)
Total Other Comprehensive Income/(Loss)	(196.86)	(144.72)	(197.54)	(243.09)
Total Other Comprehensive Income attributable to Owners	(179.08)	(97.33)	(170.79)	(233.06)
Total Other Comprehensive Income attributable to Non-Controlling Interest	(17.78)	(47.39)	(26.75)	(10.03)
TOTAL INCOME FOR THE PERIOD/YEAR	6,183.65	16,162.46	14,414.41	11,678.21
Earnings per Equity Share – Basic and Diluted (Face Value Rs. 1/- each)	10.56	27.19	24.32	19.86

GENERAL INFORMATION

Our Company was originally incorporated as ‘Macleods Pharmaceuticals Private Limited’ at Mumbai, Maharashtra as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated June 5, 1989, issued by the RoC. Thereafter, our Company was converted into a public limited company and consequently the name of our Company was changed to ‘Macleods Pharmaceuticals Limited’ pursuant to a fresh certificate of incorporation dated January 30, 1997 issued by the RoC. For further details in relation to the changes in the name and Registered Office of our Company, see “*History and Certain Corporate Matters*” on page 199. For details of the business of our Company, see “*Our Business*” on page 158.

Registered Office of our Company

304, Atlanta Arcade
Marol Church Road
Andheri (East), Mumbai, 400059
Maharashtra, India

Corporate Office of our Company

501-503, “A” Wing, Everest Grande
Shanti Nagar Mahakali Caves Road
Andheri (East), Mumbai, 400093
Maharashtra, India

Corporate Identity Number: U24239MH1989PLC052049

Company Registration Number: 052049

Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus will be filed electronically on the platform provided by SEBI at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to “Easing of Operational Procedure – Division of Issues and Listing – CFD”, and will also be uploaded on the SEBI intermediary portal at <https://siportal.sebi.gov.in> as specified in Regulation 25(8) of the SEBI ICDR Regulations and the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018. It will also be filed with the Securities and Exchange Board of India at:

Securities and Exchange Board of India

Corporation Finance Department
Division of Issues and Listing
SEBI Bhavan, Plot No. C4 A, ‘G’ Block
Bandra Kurla Complex
Bandra (E)
Mumbai 400 051, Maharashtra, India

Our Company is registered with the Registrar of Companies, Maharashtra at Mumbai. The Red Herring Prospectus and Prospectus will be filed in accordance with section 32 read with section 26 of the Companies Act, along with the material contracts and documents referred to in the Red Herring Prospectus and the Prospectus with the RoC at:

Registrar of Companies

100, Everest
Marine Drive
Mumbai, Maharashtra- 400002, India

Board of Directors of our Company

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

Name	Designation	DIN	Address
Dr. Mihir Shah	Independent Director and Chairman	07586469	B/105, Shivsagar Building, No – 30, Tilak Nagar, Chembur, Mumbai, Maharashtra – 400 089.
Girdharilal Bawri	Founder Executive Director	00034197	Plot No.7, Road No. 12A, Opposite Juhu Gymkhana, JVPD, Vile Parle West, Mumbai, Maharashtra – 400 049.
Banwarilal Bawri	Founder Joint Managing Director	00017795	Plot No.7, Road No. 12A, Opposite Juhu Gymkhana JVPD, Vile Parle West, Mumbai, Maharashtra – 400 049.
Dr. Rajendra Agarwal	Founder Managing Director	00034224	Plot No.7, Road No. 12-A, Opposite Juhu Gymkhana JVPD, Vile Parle West, Mumbai, Maharashtra – 400 049.
Arvind Sadashiv Mokashi	Independent Director	09305967	301/302 Imperia Homes, Shivaji Nagar Road, Santacruz (E), Vakola, Mumbai - 400 055.
Vinita Mayur Danait	Independent Director	00216529	A-402, Park Avenue Building, Mahatma Phule Cross Road, Vile Parle (East), Mumbai – 400 057.

For further details of our Directors, see “Our Management” on page 210.

Company Secretary and Compliance officer

Siddhesh Mahadeo Rane is our Company Secretary and Compliance officer. His contact details are as follows:

Siddhesh Mahadeo Rane

Macleods Pharmaceuticals Limited
501-503, “A” Wing, Everest Grande
Shanti Nagar Mahakali Caves Road
Andheri (East), Mumbai – 400 093
Maharashtra, India
Tel: +91 22 6769 5800
E-mail: investors@macleodspharma.com

Joint Statutory Auditors to our Company

B.A.K.D. & Co.

6/120, Mittal Industrial Estate
Andheri Kurla Road, Andheri East
Mumbai – 400 059, Maharashtra
Tel: +91 98210 80483
E-mail: anushree@bansalbansal.com
Peer Review No.: 013227
Firm Registration Number: 138880W

Walker Chandiok & Co LLP

11th Floor, Tower II, One International Center, S B
Marg, Prabhadevi (W), Mumbai – 400 013,
Maharashtra, India
Tel: +91 22 6626 2600/99
E-mail: bharatshetty@walkerchandiok.in
Peer Review number: 011707
Firm Registration number: 001076N/N500013

Except for appointment of Walker Chandiok & Co LLP as one of the Joint Statutory Auditors for a period of five years, pursuant to a resolution passed by our Shareholders in the AGM dated November 15, 2021, there has been no change in the auditors of our Company during the three years preceding the date of this Draft Red Herring Prospectus.

Book Running Lead Managers

Kotak Mahindra Capital Company Limited

1st Floor, 27 BKC, Plot No. 27
G Block, Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Maharashtra, India
Tel: +91 22 4336 0000
E-mail: macleods.ipo@kotak.com
Website: www.investmentbank.kotak.com
Investor Grievance ID: kmccredressal@kotak.com
Contact Person: Ganesh Rane
SEBI Registration No.: INM000008704

Citigroup Global Markets India Private Limited

1202, First International Financial Center
Bandra Kurla Complex, Bandra (East), Mumbai 400 098
Maharashtra, India
Tel: +91 22 6175 9999
E-mail: macleodspharma.ipo@citi.com
Website: www.online.citibank.co.in
Investor Grievance ID: investors.cgmib@citi.com
Contact Person: Keshav Tawari
SEBI Registration No: INM000010718

Edelweiss Financial Services Limited

6th Floor, Edelweiss House
 Off C.S.T. Road, Kalina
 Mumbai 400 098
 Maharashtra, India
 Tel: +91 22 4009 4400
 E-mail: macleods.ipo@edelweissfin.com
 Investor Grievance E-mail:
customerservice.mb@edelweissfin.com
 Website: www.edelweissfin.com
 Contact Person: Lokesh Shah
 SEBI Registration No.: INM0000010650

ICICI Securities Limited

ICICI Venture House, Appasaheb
 Marathe Marg, Prabhadevi,
 Mumbai - 400 025
 Maharashtra, India
 Tel: +91 22 6807 7100
 E-mail : macleods.ipo@icicisecurities.com
 Website: www.icicisecurities.com
 Investor Grievance ID:
customercare@icicisecurities.com
 Contact Person: Sameer Purohit/Gaurav Mittal
 SEBI Registration Number: INM000011179

Nomura Financial Advisory and Securities (India) Private Limited

Ceejay House, Level 11 Plot F
 Shivsagar Estate, Dr. Annie Besant Road
 Worli, Mumbai 400 018
 Maharashtra, India
 Tel: +91 22 4037 4037
 E-mail: macleodspharmaipo@nomura.com
 Investor Grievance E-mail: investorgrievances-in@nomura.com
 Website:
www.nomuraholdings.com/company/group/asia/india/index.html
 Contact person: Vishal Kanjani / Chirag Shah
 SEBI Registration No: INM000011419

Legal Advisors to the Offer***Legal Counsel to our Company as to Indian law*****Cyril Amarchand Mangaldas**

5th Floor, Peninsula Chambers
 Peninsula Corporate Park
 Ganpatrao Kadam Marg
 Mumbai 400013
 Maharashtra, India
 Tel: +91 22 2496 4455

Legal Counsel to the Book Running Lead Managers as to Indian law**Shardul Amarchand Mangaldas & Co**

24th Floor, Express Towers
 Nariman Point
 Mumbai 400 021
 Maharashtra, India
 Tel: +91 22 4933 5555

International Legal Counsel to the Book Running Lead Managers**Linklaters Singapore Pte. Ltd.**

One George Street
 #17-01
 Singapore 049145
 Telephone: +65 6692 5891

Registrar to the Offer**Kfin Technologies Private Limited**

(formerly known as Karvy Fintech Private Limited)
 Selenium, Tower B, Plot No. - 31 and 32 Financial District
 Nanakramguda, Serilingampally
 Hyderabad, Rangareddi 500 032
 Telangana, India
 Tel: +91 40 6716 2222
 E-mail: mpl.ipo@kfintech.com

Website: www.kfintech.com
Investor Grievance ID: einward.ris@kfintech.com
Contact Person: M Murali Krishna
SEBI Registration Number: INR000000221

Bankers to the Offer

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

[•]

Sponsor Banks

[•]

Bankers to our Company

Axis Bank Limited

Dahisar West Branch, Axis House
PB road, Worli
Mumbai, Maharashtra
Tel: + 91 91670 07012
Email:
dahisarwest.operationshead@axisbank.com
Contact Person: Anagha Dhonde

HDFC Bank Limited

Manek Smruti, TPS II
Nehru Road, Vile Parle East
Mumbai, Maharashtra
Tel: + 91 84528 64543
Email: nainesh.sukale@hdfcbank.com /
varsha.satam@hdfcbank.com
Contact Person: Nainesh Anil Sukale

ICICI Bank Limited

Shop No. 4, Ground Floor
Everest Grande, Mahakali Caves Road
Andheri (E)
Mumbai, Maharashtra
Tel: +91 97691 95294
Email: jadhav.mohini@icicibank.com
Contact Person: Mohini Jadhav

State Bank of India

Industrial Finance Branch, S.V. Road
Near Chincholi Signal, Malad West
Mumbai, Maharashtra
Tel: 022 28883897
Email: sbi.04760@sbi.co.in /
rmme2.ifbmalad@sbi.co.in
Contact Person: Padma Mani

Syndicate Members

[•]

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a RIB using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>, or at such other websites as may be prescribed by SEBI from time to time.

SCSBs and mobile applications enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>) respectively, as updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is available on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>, respectively.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors) 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 or any such other website as may be prescribed by SEBI 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 or any such other website as may be prescribed by SEBI from time to time.

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stockbroker network of the stock exchange, i.e. through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at <https://www.bseindia.com/> and <https://www.nseindia.com/>, 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 the Stock Exchanges at <https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx> and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, 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 the Stock Exchanges at <https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx> and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, 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 a written consent dated February 14, 2022 from our Joint Statutory Auditors, namely, Walker Chandiok & Co LLP and B.A.K.D. & Co., to include their names as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this DRHP, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Joint Statutory Auditors, and in respect of their (a) joint examination report dated February 3, 2022 on the Restated Consolidated Financial Information, (b) reports each dated February 12, 2022 on the statement of special tax benefits (c) report on the compilation of Pro Forma Consolidated Financial Information dated February 9, 2022 and related notes. Further, our Company has received a written consent dated February 14, 2022 from B.A.K.D. & Co. in relation to the key performance indicators included in this DRHP. Such consents have not been withdrawn as on the date of this DRHP. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Our Company has received written consent dated January 15, 2022, from the independent chartered engineer, namely Prabhakar Vithal Upadhye (membership number: AM046165), to include their name in this DRHP and as an “expert” as defined under Section 2(38) of the Companies Act, 2013, to the extent and in their capacity as a chartered engineer, in relation to his certificate dated January 15, 2022 certifying the details of volumes of our products, polymers processed, machines and moulds included under “*Capacity and Capacity Utilization*” on page 182 of this DRHP and such consent has not been withdrawn as on the date of this DRHP.

Our Company has also received written consent dated January 31, 2022 from Ediplis Counsels as intellectual property consultant to include their name under Section 26(5) of the Companies Act, 2013 in this DRHP and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of their certificate dated January 31, 2022 on the (i) patent and trademark filings and registrations; (ii) product filings and registrations; and (iii)

manufacturing facilities, research and development facilities and bio-study centres of the Company in India and certain other jurisdictions, and such consent has not been withdrawn as on the date of this DRHP.

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 among the Book Running Lead Managers to the Offer:

S. No.	Activity	Responsibility	Coordinator
1.	Due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, abridged prospectus and application form. 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	BRLMs	Kotak
2.	Capital structuring with the relative components and formalities such as type of instruments, size of issue, allocation between primary and secondary, etc.	BRLMs	Kotak
3.	Drafting and approval of all statutory advertisement	BRLMs	Kotak
4.	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	BRLMs	ISEC
5.	Appointment of intermediaries - Registrar to the Offer, advertising agency, Banker(s) to the Offer, Sponsor Bank, printer and other intermediaries, including coordination of all agreements to be entered into with such intermediaries	BRLMs	Nomura
6.	Preparation of road show presentation and frequently asked questions	BRLMs	Citi
7.	International institutional marketing of the Offer, which will cover, <i>inter alia</i> : - Marketing strategy; - Finalizing the list and division of investors for one-to-one meetings; and - Finalizing road show and investor meeting schedule	BRLMs	Citi
8.	Domestic institutional marketing of the Offer, which will cover, <i>inter alia</i> : - Marketing strategy; - Finalizing the list and division of investors for one-to-one meetings; and - Finalizing road show and investor meeting schedule	BRLMs	Kotak/Nomura
9.	Retail marketing of the Offer, which will cover, <i>inter alia</i> , - Finalising media, marketing and public relations strategy including list of frequently asked questions at retail road shows; - Finalising centres for holding conferences for brokers, etc.; - Follow-up on distribution of publicity and Offer material including application form, the Prospectus and deciding on the quantum of the Offer material; and - Finalising collection centres	BRLMs	ISEC
10.	Non-Institutional marketing of the Offer, which will cover, <i>inter alia</i> , formulating marketing strategies for Non-institutional Investors & finalize media and public relations strategy	BRLMs	Edelweiss
11.	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	BRLMs	Nomura
12.	Managing the book and finalization of pricing in consultation with the Company and Selling Shareholder	BRLMs	Citi
13.	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 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, release of 1% security deposit post closure of the Offer	BRLMs	Edelweiss

IPO Grading

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

Monitoring Agency

As the Offer is an offer for sale of Equity Shares by the Selling Shareholders, there is no requirement to appoint a monitoring agency in relation to the Offer.

Appraising Entity

As the Offer is an offer for sale of Equity Shares by the Selling Shareholders, our Company will not receive any proceeds from the Offer. Accordingly, no appraising entity has been appointed for the Offer.

Credit Rating

As this is an Offer of Equity Shares, credit rating is not required.

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.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from bidders on the basis of the Red Herring Prospectus and the Bid Cum Application Forms and the Revision Forms within the Price Band and the minimum Bid Lot, which will be decided by our Company and the Promoter Selling Shareholders in consultation with the Book Running Lead Managers, and advertised in all editions of English national daily newspaper, [●], all editions of Hindi national daily newspaper, [●] editions of the Marathi daily newspaper, [●], (Marathi being the regional language of Maharashtra, 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 on their respective websites. The Offer Price shall be determined by our Company and the Promoter Selling Shareholders in consultation with the Book Running Lead Managers, after the Bid/Offer Closing Date. For details, see “*Offer Procedure*” on page 479.

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 RIBs 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 Investors 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. RIBs and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. Except for Allocation to RIBs, Eligible Employees Bidding in the Employee Reservation Portion 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 by submitting a Bid in the Offer, will be deemed to have acknowledged the above restrictions and the terms of the Offer.

For further details, see “*Terms of the Offer*” “*Offer Structure*” and “*Offer Procedure*” on pages 469, 475 and 479, respectively.

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.

Bidder 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.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. 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:

(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 filing of the Prospectus with the RoC.)

Name, address, telephone number and e-mail address of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount underwritten (in ₹ million)
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]

The aforementioned underwriting commitments are indicative and will be finalised after the Offer Price is determined and allocation of Equity Shares in accordance with provisions of Regulation 40(2) of the SEBI ICDR Regulations.

In the opinion of our Board of Directors (based on representations made to our Company by the Underwriters), the resources of the aforementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The aforementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. Our Board of Directors/IPO Committee, at its meeting held on [●], approved the acceptance and entering 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 purchasers for or purchase 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 after determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC.

CAPITAL STRUCTURE

The Equity Share capital of our Company as on the date of this Draft Red Herring Prospectus is set forth below:

		(in ₹, except share data)	
		Aggregate value at face value	Aggregate value at Offer Price*
A	AUTHORISED SHARE CAPITAL⁽¹⁾		
	650,000,000 Equity Shares (having face value of ₹ 1 each)	650,000,000	-
B	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER		
	598,820,400 Equity Shares (having face value of ₹ 1 each)	598,820,400	-
C	PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS⁽²⁾⁽³⁾		
	Offer for Sale of up to 60,482,040 Equity Shares	60,482,040	[●]
	Which includes:		
	Employee Reservation Portion of up to [●] ⁽⁴⁾ Equity Shares	-	[●]
	Net Offer of up to [●] Equity Shares	-	[●]
D	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER		
	598,820,400 Equity Shares (having face value of ₹ 1 each)	598,820,400	-
E	SECURITIES PREMIUM ACCOUNT		
	Before and after the Offer		Nil

* To be included upon finalisation of the Offer Price.

(1) For details in relation to the changes in the authorised share capital of our Company in the last 10 years, see “History and Certain Corporate Matters – Amendments to our Memorandum of Association” on page 199.

(2) Each of the Selling Shareholders have confirmed and authorized their respective participation in the Offer for Sale. The Offer has been authorised by a resolution passed by our Board of Directors at their meeting held on February 3, 2022. For further details, see “Other Regulatory and Statutory Disclosures” on page 446.

(3) The Equity Shares being offered by each Selling Shareholder have been held by them for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus in accordance with the SEBI ICDR Regulations, or are otherwise eligible for being offered for sale pursuant to the Offer in accordance with the provisions of the SEBI ICDR Regulations. For details of authorisations for the Offer for Sale, see “Other Regulatory and Statutory Disclosures” on page 446.

(4) Eligible Employees bidding in the Employee Reservation Portion must ensure that the maximum Bid Amount does not exceed ₹500,000 (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000 (net of Employee Discount). 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, for a value in excess of ₹200,000 (net of Employee Discount), subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 (net of Employee Discount). Our Company and the Promoter Selling Shareholders in consultation with the Book Running Lead Managers, may offer an Employee Discount of up to [●]% to the Offer Price (equivalent of ₹[●] per Equity Share), which shall be announced at least two Working Days prior to the Bid/Offer Opening Date.

Notes to the Capital Structure

1. Equity share capital history of our Company

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 allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Name of allottees
June 5, 1989	Initial subscription to the Memorandum of Association	Cash	4	100	100	Allotment of one equity share each to Girdharilal Bawri, Banwarilal Bawri Dr. Rajendra Agarwal, and Ratnadevi Bawri (as subscribers to the Memorandum of Association).
December 19, 1990	Preferential allotment ^{(1) (6)}	Cash	18,435	100	100	Preferential allotment of 18,435 equity shares to 15 allottees i.e.

Date of allotment of equity shares	Nature of allotment	Nature of consideration	Number of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Name of allottees
						Taradevi Bawri in joint account with Ratnadevi Bawri, Dr. Rajendra Agarwal, and Banwarilal Bawri (3,500 equity shares), Dr. Rajendra Agarwal (1,990 equity shares), Girdharilal Bawri (1,565 equity shares), Ratnadevi Bawri (1,295 equity shares), Banwarilal Bawri (1,035 equity shares), Nirmala Ruia (470 equity shares), Kavita Ruia (470 equity shares), Radheshyam Rajawat (815 equity shares), Meghna Ruia (395 equity shares), Neha Ruia (390 equity shares), Gopal Singh Chauhan (1,240 equity shares), Sudha Bawri (1,670 equity shares), Premlata Bagadia (1,435 equity shares), Ajay Agarwal (665 equity shares), and Dr. Rajendra Agarwal in joint account with Sudha Bawri (1,500 equity shares).
March 31, 1997	Conversion of loan into equity shares ⁽²⁾ ⁽⁶⁾	Other than cash	859,000	10	-	Allotment of 859,000 equity shares by converting loans into equity shares of 13 allottees i.e. Dr. Rajendra Agarwal (230,000 equity shares), Sitadevi Murarka (50,000 equity shares), Anushree Agarwal (19,000 equity shares), Ajay Agarwal (38,000 equity shares), Kavita Ruia (6,000 equity shares), Banwarilal Bawri (210,000 equity shares), Gopal Singh Chauhan (16,000 equity shares), Meghna Ruia (27,500 equity shares), N.R. Murarka (33,000 equity shares), Ruchi Agarwal (16,000 equity shares), Rajendra Agarwal HUF (10,000 equity shares), Anju Agarwal (190,000 equity shares), and Taradevi Bawri (13,500 equity shares).
February 11, 2000	Pursuant to a resolution passed by our Shareholders on February 11, 2000, our Company sub-divided the face value of its 18,439 equity shares of ₹ 100 each to 184,390 of ₹ 10 each. Therefore, the cumulative number of issued, subscribed and paid-up equity shares pursuant to sub-division was changed to 1,043,390 equity shares of face value of ₹10 each.					
March 31, 2001	Preferential allotment ⁽³⁾ ⁽⁶⁾	Cash	620,000	10	150	Preferential allotment of equity shares of 620,000 equity shares of ₹ 10 each to two allottees i.e. Ajay Agarwal (310,000 equity shares), and Anju Agarwal (310,000 equity shares).
March 31, 2004	Bonus issue in the ratio of 5:1 ⁽⁴⁾ ⁽⁶⁾	-	8,316,950	10	-	Bonus issue of 8,316,950 equity shares to 11 allottees i.e. Dr. Rajendra Agarwal (1,285,150 equity shares), Banwarilal Bawri

Date of allotment of equity shares	Nature of allotment	Nature of consideration	Number of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Name of allottees
						(2,518,400 equity shares), Girdharilal Bawri (931,400 equity shares), Sudha Bawri (158,500 equity shares), Ajay Agarwal (1,773,250 equity shares), Anju Agarwal (1,356,750 equity shares), Anushree Agarwal (95,500 equity shares), Ruchi Agarwal (80,350 equity shares), Vijay Agarwal (150 equity shares), Rajendra Agarwal HUF (50,000 equity shares) and Taradevi Bawri (67,500 equity shares).
March 29, 2006	Bonus issue in ratio of 1:1 ⁽⁵⁾ ⁽⁶⁾	-	9,980,340	10	-	Bonus issue of 9,980,340 equity shares to 11 allottees i.e. Dr. Rajendra Agarwal (1,542,180 equity shares), Banwarilal Bawri (3,022,080 equity shares), Girdharilal Bawri (1,117,680 equity shares), Sudha Bawri (190,200 equity shares), Ajay Agarwal (2,127,900 equity shares), Anju Agarwal (1,628,100 equity shares), Anushree Agarwal (114,600 equity shares), Ruchi Agarwal (96,420 equity shares), Vijay Agarwal (180 equity shares), Rajendra Agarwal HUF (60,000 equity shares), and Taradevi Bawri (81,000 equity shares).
November 15, 2021	Pursuant to a resolution passed by our Shareholders on November 15, 2021, each fully paid up equity share of face value ₹10 each was sub-divided into equity share of face value ₹ 1 each, accordingly, the cumulative number of equity shares of our Company was changed from 19,960,680 equity shares of face value ₹ 10 each to 199,606,800 Equity Shares of face value of ₹ 1 each.					
January 18, 2022	Bonus issue in ratio of 2:1	-	399,213,600	1	-	Bonus issue of 399,213,600 Equity Shares to 13 allottees i.e. Banwarilal Bawri (5,91,11,600 Equity Shares), Prateek Agarwal (5,03,68,000 Equity Shares), Ajay Agarwal (4,34,51,000 Equity Shares), Girdharilal Bawri (4,20,47,200 Equity Shares), Vijay Agarwal (4,16,72,200 Equity Shares), Dr. Rajendra Agarwal (3,48,54,200 Equity Shares), Anju Agarwal (3,25,62,000 Equity Shares), Gauri Agarwal (3,22,98,000 Equity Shares), Dr. Ruchi Agarwal (3,20,23,800 Equity Shares), Sudha Bawri (1,76,81,600 Equity Shares), Shalini Kedia (53,20,000 Equity Shares), Anushree Agarwal (45,84,000 Equity Shares), and Taradevi Bawri (32,40,000 Equity Shares).

- (1) The relevant RoC form filing for the resolution passed by our Shareholders authorising issuance of 18,435 equity shares on preferential basis is not available with the Company, nor in the records of RoC. We have relied on the search report dated February 1, 2022, prepared by Amit Dharmani & Associates, Company Secretaries.
- (2) The relevant RoC form filing for the resolution passed by our Shareholders authorising conversion of loan into 859,000 equity shares is not available with the Company, nor in the records of RoC. We have relied on the search report dated February 1, 2022, prepared by Amit Dharmani & Associates, Company Secretaries.
- (3) The relevant RoC form filing for the resolution passed by our Shareholders authorising issuance of 620,000 equity shares to Ajay Agarwal and Anju Agarwal on preferential basis is not available with the Company, nor in the records of RoC. We have relied on the search report dated February 1, 2022, prepared by Amit Dharmani & Associates, Company Secretaries.
- (4) The relevant RoC form filing for the resolution passed by our Shareholders authorising bonus issuance of 8,316,950 equity shares is not available with the Company, nor in the records of RoC. We have relied on the search report dated February 1, 2022, prepared by Amit Dharmani & Associates, Company Secretaries.
- (5) The relevant RoC form filing for the resolution passed by our Shareholders authorising bonus issuance of 9,980,340 equity shares is not available with the Company, nor in the records of RoC. We have relied on the search report dated February 1, 2022, prepared by Amit Dharmani & Associates, Company Secretaries.
- (6) For details of all the missing documents mentioned above, see "Risk Factors – We have not been able to locate certain of our corporate records" on page 46.

2. Equity Shares issued for consideration other than cash or by way of bonus issue or out of revaluation reserves

Our Company has not issued Equity Shares out of revaluation reserves. Further, except as disclosed below, our Company has not issued Equity Shares through bonus issue or for consideration other than cash.

Date of allotment	Number of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Reason for allotment	Benefits accrued to our Company
March 31, 1997	859,000	10	-	Conversion of loan into equity shares ⁽¹⁾	-
March 31, 2004	8,316,950	10	-	Bonus issue in the ratio of 5:1 ⁽²⁾	-
March 29, 2006	9,980,340	10	-	Bonus issue in the ratio of 1:1 ⁽³⁾	-
January 18, 2022	399,213,600	1	-	Bonus issue in ratio of 2:1 ⁽⁴⁾	-

- (1) Allotment of 859,000 equity shares by converting loans into equity shares of 13 allottees i.e. Dr. Rajendra Agarwal (230,000 equity shares), Sitadevi Murarka (50,000 equity shares), Anushree Agarwal (19,000 equity shares), Ajay Agarwal (38,000 equity shares), Kavita Ruia (6,000 equity shares), Banwarilal Bawri (210,000 equity shares), Gopal Singh Chauhan (16,000 equity shares), Meghna Ruia (27,500 equity shares), N.R. Murarka (33,000 equity shares), Ruchi Agarwal (16,000 equity shares), Rajendra Agarwal HUF (10,000 equity shares), Anju Agarwal (190,000 equity shares), and Taradevi Bawri (13,500 equity shares).
- (2) Bonus issue of 8,316,950 equity shares to 11 allottees i.e. Dr. Rajendra Agarwal (1,285,150 equity shares), Banwarilal Bawri (2,518,400 equity shares), Girdharilal Bawri (931,400 equity shares), Sudha Bawri (158,500 equity shares), Ajay Agarwal (1,773,250 equity shares), Anju Agarwal (1,356,750 equity shares), Anushree Agarwal (95,500 equity shares), Ruchi Agarwal (80,350 equity shares), Vijay Agarwal (150 equity shares), Rajendra Agarwal HUF (50,000 equity shares) and Taradevi Bawri (67,500 equity shares).
- (3) Bonus issue of 9,980,340 equity shares to 11 allottees i.e. Dr. Rajendra Agarwal (1,542,180 equity shares), Banwarilal Bawri (3,022,080 equity shares), Girdharilal Bawri (1,117,680 equity shares), Sudha Bawri (190,200 equity shares), Ajay Agarwal (2,127,900 equity shares), Anju Agarwal (1,628,100 equity shares), Anushree Agarwal (114,600 equity shares), Ruchi Agarwal (96,420 equity shares), Vijay Agarwal (180 equity shares), Rajendra Agarwal HUF (60,000 equity shares), and Taradevi Bawri (81,000 equity shares).
- (4) Bonus issue of 399,213,600 Equity Shares to 13 allottees i.e. Banwarilal Bawri (5,91,11,600 Equity Shares), Prateek Agarwal (5,03,68,000 Equity Shares), Ajay Agarwal (4,34,51,000 Equity Shares), Girdharilal Bawri (4,20,47,200 Equity Shares), Vijay Agarwal (4,16,72,200 Equity Shares), Dr. Rajendra Agarwal (3,48,54,200 Equity Shares), Anju Agarwal (3,25,62,000 Equity Shares), Gauri Agarwal (3,22,98,000 Equity Shares), Dr. Ruchi Agarwal (3,20,23,800 Equity Shares), Sudha Bawri (1,76,81,600 Equity Shares), Shalini Kedia (53,20,000 Equity Shares), Anushree Agarwal (45,84,000 Equity Shares), and Taradevi Bawri (32,40,000 Equity Shares).

3. Our Company does not have any preference share capital as on the date of this Draft Red Herring Prospectus.
4. **Issue of Equity Shares under Section 391 to 395 of the Companies Act, 1956 and Sections 230 to 234 of the Companies Act**

Our Company has not allotted any Equity Shares pursuant to any scheme approved under Section 391 to 395 of the Companies Act, 1956 and Sections 230 to 234 of the Companies Act.

5. Issue of Equity Shares under employee stock option schemes

Our Company has not issued any Equity Shares under the ESOP Scheme.

6. Equity Shares issued in the preceding one year below the Offer Price

Except for the allotment of 399,213,600 Equity Shares on January 18, 2022 pursuant to a bonus issue, our Company has not issued any equity shares at a price which is lower than the Offer Price during a period of one year preceding the date of this Draft Red Herring Prospectus.

For details, see “ – Notes to the Capital Structure – Equity share capital history of our Company” on page 87.

7. Shareholding Pattern of our Company

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

Category y (I)	Category of shareholde r (II)	Number of sharehol ders (III)	Number of fully paid up equity shares held (IV)	Number of Partly paid-up equity shares held (V)	Number of shares underly ing Deposit ory Receipt s (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Sharehol ding as a % of total number of shares (calculat ed as per SCRR, 1957) (VIII) As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities (IX)				Numbe r of shares Underly ing Outsta nding conver tible securiti es (includ ing Warra nts) (X)	Sharehold ing, as a % assuming full conversio n of convertibl e securities (as a percentag e 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 dematerialize d form (XIV)
								Number of Voting Rights			Total as a % of (A+B+C)			Numbe r (a)	As a % of total Share s held (b)	Numbe r (a)	As a % of total Share s held (b)	
								Class e.g.: Equity Shares	Clas s e.g. : Ot her s	Total								
(A)	Promoters and Promoter Group	13	598,820,400	-	-	598,820,400	100.00	598,820,400	-	598,820,400	100.00	-	-	-	-	-	-	598,820,400
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
I	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	13	598,820,400	-	-	598,820,400	100.00	598,820,400	-	598,820,400	100.00	-	-	-	-	-	-	598,820,400

8. **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 paid-up Equity Share capital of our Company, as on the date of this Draft Red Herring Prospectus:

	Name of the Shareholder	Pre-Offer	
		Number of Equity Shares (of face value of ₹ 1 each)	Percentage of the Equity Share capital (%)
1.	Banwarilal Bawri	88,667,400	14.81
2.	Prateek Agarwal	75,552,000	12.62
3.	Ajay Agarwal	65,176,500	10.88
4.	Girdharilal Bawri	63,070,800	10.53
5.	Vijay Agarwal	62,508,300	10.44
6.	Dr. Rajendra Agarwal	52,281,300	8.73
7.	Anju Agarwal	48,843,000	8.16
8.	Gauri Agarwal	48,447,000	8.09
9.	Dr. Ruchi Agarwal	48,035,700	8.02
10.	Sudha Bawri	26,522,400	4.43
11.	Shalini Kedia	7,980,000	1.33
12.	Anushree Agarwal	6,876,000	1.15
	Total	593,960,400	99.19

- b) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company, as on 10 days prior to the date of this Draft Red Herring Prospectus:

	Name of the shareholder	Pre-Offer	
		Number of Equity Shares (of face value of ₹ 1 each)	Percentage of the Equity Share capital (%)
1.	Banwarilal Bawri	88,667,400	14.81
2.	Prateek Agarwal	75,552,000	12.62
3.	Ajay Agarwal	65,176,500	10.88
4.	Girdharilal Bawri	63,070,800	10.53
5.	Vijay Agarwal	62,508,300	10.44
6.	Dr. Rajendra Agarwal	52,281,300	8.73
7.	Anju Agarwal	48,843,000	8.16
8.	Gauri Agarwal	48,447,000	8.09
9.	Dr. Ruchi Agarwal	48,035,700	8.02
10.	Sudha Bawri	26,522,400	4.43
11.	Shalini Kedia	7,980,000	1.33
12.	Anushree Agarwal	6,876,000	1.15
	Total	593,960,400	99.19

- c) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company, as on one year prior to the date of this Draft Red Herring Prospectus:

	Name of the Shareholder	Pre-Offer	
		Number of equity shares (of face value of ₹ 10 each)	Percentage of the equity share capital (%)
1.	Banwarilal Bawri	2,955,580	14.81
2.	Prateek Agarwal	2,518,400	12.62
3.	Ajay Agarwal	2,172,550	10.88
4.	Girdharilal Bawri	2,102,360	10.53
5.	Vijay Agarwal	2,083,610	10.44

	Name of the Shareholder	Pre-Offer	
		Number of equity shares (of face value of ₹ 10 each)	Percentage of the equity share capital (%)
6.	Dr. Rajendra Agarwal	1,742,710	8.73
7.	Anju Agarwal	1,628,100	8.16
8.	Gauri Agarwal	1,614,900	8.09
9.	Dr. Ruchi Agarwal	1,601,190	8.02
10.	Sudha Bawri	884,080	4.43
11.	Shalini Kedia	266,000	1.33
12.	Anushree Agarwal	229,200	1.15
	Total	19,798,680	99.19

- d) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, as on two years prior to the date of this Draft Red Herring Prospectus:

	Name of the Shareholder	Pre-Offer	
		Number of equity shares (of face value of ₹ 10 each)	Percentage of the Equity Share capital (%)
1.	Banwarilal Bawri	2,955,580	14.81
2.	Prateek Agarwal	2,518,400	12.62
3.	Ajay Agarwal	2,172,550	10.88
4.	Girdharilal Bawri	2,102,360	10.53
5.	Vijay Agarwal	2,083,610	10.44
6.	Dr. Rajendra Agarwal	1,742,710	8.73
7.	Anju Agarwal	1,628,100	8.16
8.	Gauri Agarwal	1,614,900	8.09
9.	Dr. Ruchi Agarwal	1,601,190	8.02
10.	Sudha Bawri	884,080	4.43
11.	Shalini Kedia	266,000	1.33
12.	Anushree Agarwal	229,200	1.15
	Total	19,798,680	99.19

9. History of the Equity Share capital held by our Promoters

As on the date of this Draft Red Herring Prospectus, our Promoters, i.e. Girdharilal Bawri, Banwarilal Bawri, and Dr. Rajendra Agarwal in aggregate hold 204,019,500 Equity Shares, representing 34.07% of the issued, subscribed and paid-up Equity Share capital of our Company. The details regarding our Promoters' shareholding is set forth below.

a) Build-up of Promoters' equity shareholding in our Company

The build-up of the equity shareholding of our Promoters since incorporation of our Company is set forth below.

Date of allotment/ transfer	Nature of transaction	Number of equity shares allotted/ transferred	Nature of consideration	Face value per equity share (₹)	Issue price/ transfer price per equity share (₹)	Percentage of the pre- Offer capital (%)	Percentage of fully diluted post- Offer capital (%)
Girdharilal Bawri							

Date of allotment/ transfer	Nature of transaction	Number of equity shares allotted/ transferred	Nature of consideration	Face value per equity share (₹)	Issue price/ transfer price per equity share (₹)	Percentage of the pre- Offer capital (%)	Percentage of fully diluted post- Offer capital (%)
June 5, 1989	Subscription to the Memorandum of Association	1	Cash	100	100	Negligible	[●]
December 19, 1990	Preferential allotment of equity shares ⁽¹⁾	1,565	Cash	100	100	0.03%	[●]
September 2, 1996	Transfer of equity shares to V.C. Kothari in form of gift	(1)	-	100	-	-	-
January 1, 1997	Transmission of equity shares held by Ratnidevi Bawri	432	-	100	100	0.01%	[●]
February 11, 2000	Pursuant to a resolution passed by our Shareholders on February 11, 2000, each fully paid up equity share of face value ₹100 each was sub-divided into 10 equity share of face value ₹10 each, accordingly, the cumulative number of issued, subscribed and paid-up equity shares of Girdharilal Bawri pursuant to sub-division was 19,970 equity shares of face value of ₹10 each.						
April 25, 2002	Transfer of equity shares from Nirmala Ruia in form of gift	4,440	-	10	-	0.01%	[●]
	Transfer of equity shares from Kavita Ruia in form of gift	10,700	-	10	-	0.02%	[●]
	Transfer of equity shares from Meghna Ruia in form of gift	31,450	-	10	-	0.05%	[●]
	Transfer of equity shares from Neha Ruia in form of gift	3,900	-	10	-	0.01%	[●]
	Transfer of equity shares from Gopal Singh Chauhan in form of gift	18,400	-	10	-	0.03%	[●]
	Transfer of equity shares from Premlata Bagadia in form of gift	14,350	-	10	-	0.02%	[●]
	Transfer of equity shares from Sitadevi Murarka in form of gift	50,040	-	10	-	0.08%	[●]
	Transfer of equity shares from Radheyshyam Rajawat in form of gift	33,010	-	10	-	0.06%	[●]
September 2, 2003	Transfer of equity shares from Anjana Mundra in form of gift	10	-	10	-	Negligible	[●]
	Transfer of equity shares from Kiranbala Kothari in form of gift	10	-	10	-	Negligible	[●]
March 31, 2004	Allotment of Equity Shares pursuant to bonus issue in the ratio of 5:1	931,400	-	10	-	1.56%	[●]

Date of allotment/ transfer	Nature of transaction	Number of equity shares allotted/ transferred	Nature of consideration	Face value per equity share (₹)	Issue price/ transfer price per equity share (₹)	Percentage of the pre- Offer capital (%)	Percentage of fully diluted post- Offer capital (%)
March 29, 2006	Allotment of Equity Shares pursuant to bonus issue in the ratio of 1:1	1,117,680	-	10	-	1.87%	[●]
October 18, 2019	Transfer of equity shares to Shalini Kedia in form of gift	(133,000)	-	10	-	-	[●]
November 15, 2021	Pursuant to a resolution passed by our Shareholders on November 15, 2021, each fully paid up equity share of face value ₹10 each was sub-divided into 10 equity share of face value ₹ 1 each, accordingly, the cumulative number of equity shares of Girdharilal Bawri was changed from 2,102,360 equity shares of face value ₹ 10 each to 21,023,600 Equity Shares of face value of ₹ 1 each.						
January 18, 2022	Allotment of Equity Shares pursuant to bonus issue in the ratio of 2:1	42,047,200	N.A.	1	N.A.	7.02%	[●]
Sub-Total (A)		63,070,800				10.53%	[●]
Banwarilal Bawri							
June 5, 1989	Subscription to the Memorandum of Association	1	Cash	100	100	Negligible	[●]
December 19, 1990	Preferential allotment of equity shares ⁽¹⁾	1,035	Cash	100	100	0.02%	[●]
January 1, 1997	Transmission of equity shares held by Ratnidevi Bawri	432	-	100	-	0.01%	[●]
March 31, 1997	Allotment of equity shares by converting loan into equity shares.	210,000	Other than cash	10	-	0.35%	[●]
February 11, 2000	Pursuant to a resolution passed by our Shareholders on February 11, 2000, each fully paid up equity share of face value ₹100 each was sub-divided into 10 equity share of face value ₹10 each, Therefore, the cumulative number of issued, subscribed and paid-up equity shares of Banwarilal Bawri pursuant to sub-division was changed to 224,680 equity shares of face value of ₹10 each.						
October 1, 2003	Transfer of equity shares from Anju Agarwal in form of gift.	251,000	-	10	-	0.42%	[●]
	Transfer of jointly held equity shares by Taradevi Bawri (first owner), Ratnidevi Bawri (second owner), Dr. Rajendra Agarwal (third owner), and Banwarilal Bawri (fourth owner) to Banwarilal Bawri in form of gift.	28,000	-	10	-	0.05%	[●]
March 31, 2004	Allotment of Equity Shares pursuant to bonus issue in the ratio of 5:1	2,518,400	-	10	-	4.21%	[●]
March 29, 2006	Allotment of Equity Shares pursuant to bonus issue in the ratio of 1:1	3,022,080	-	10	-	5.05%	[●]

Date of allotment/ transfer	Nature of transaction	Number of equity shares allotted/ transferred	Nature of consideration	Face value per equity share (₹)	Issue price/ transfer price per equity share (₹)	Percentage of the pre- Offer capital (%)	Percentage of fully diluted post- Offer capital (%)
March 2, 2013	Transfer of equity shares to Sudha Bawri in form of gift	(503,680)	-	10	-	-	-
	Transfer of equity shares to Prateek Agarwal in form of gift	(2,518,400)	-	10	-	-	-
October 18, 2019	Transfer of equity shares to Shalini Kedia in form of gift	(66,500)	-	10	-	-	-
November 15, 2021	Pursuant to a resolution passed by our Shareholders on November 15, 2021, each fully paid up equity share of face value ₹10 each was sub-divided into 10 equity share of face value ₹ 1 each, accordingly, the cumulative number of equity shares of Banwarilal Bawri was changed from 2,955,580 equity shares of face value ₹ 10 each to 29,555,800 Equity Shares of face value of ₹ 1 each.						
January 18, 2022	Allotment of Equity Shares pursuant to bonus issue in the ratio of 2:1	59,111,600	-	1	-	9.87%	[●]
Sub-Total (B)		88,667,400				14.81%	[●]
Dr. Rajendra Agarwal							
June 5, 1989	Subscription to the Memorandum of Association	1	Cash	100	100	Negligible	[●]
December 19, 1990	Preferential allotment of equity shares ⁽¹⁾	1,990	Cash	100	100	0.03%	[●]
	Preferential allotment of equity shares to Dr. Rajendra Agarwal (first owner) in joint account with Sudha Bawri (second owner) ⁽¹⁾	1,500	Cash	100	100	0.03%	[●]
September 2, 1996	Transfer of jointly held equity shares by Taradevi Bawri (first owner), Ratnadevi Bawri (second owner), Dr. Rajendra Agarwal (third owner), and Banwarilal Bawri (fourth owner) to Dr. Rajendra Agarwal in form of gift.	700	Cash	100	-	0.01%	[●]
January 1, 1997	Transmission of equity shares held by Ratnadevi Bawri	432	-	100	-	0.01%	[●]
March 31, 1997	Allotment of equity shares by converting loan into equity shares.	230,000	Other than cash	10	-	0.38%	[●]
February 11, 2000	Pursuant to a resolution passed by our Shareholders on February 11, 2000, each fully paid up equity share of face value ₹100 each was sub-divided into 10 equity share of face value ₹10 each, Therefore, the cumulative number of issued, subscribed and paid-up equity shares of Dr. Rajendra Agarwal pursuant to sub-division was changed to 276,230 equity shares of face value of ₹10 each (including 15,000 equity shares of Dr. Rajendra Agarwal in joint account with Sudha Bawri).						

Date of allotment/ transfer	Nature of transaction	Number of equity shares allotted/ transferred	Nature of consideration	Face value per equity share (₹)	Issue price/ transfer price per equity share (₹)	Percentage of the pre- Offer capital (%)	Percentage of fully diluted post- Offer capital (%)
March 30, 2000	Transfer to Anju Agarwal in form of gift.	(4,200)	-	10	-	-	-
October 1, 2003	Transfer of jointly held equity shares by Dr. Rajendra Agarwal (first owner), and Sudha Bawri (second owner) to Sudha Bawri (Single owner) in form of gift.	(15,000)	-	10	-	-	-
March 31, 2004	Allotment of Equity Shares pursuant to bonus issue in the ratio of 5:1	1,285,150	-	10	-	2.15%	[●]
March 29, 2006	Allotment of Equity Shares pursuant to bonus issue in the ratio of 1:1	1,542,180	-	10	-	2.58%	[●]
February 13, 2018	Transfer to Dr. Ruchi Agarwal in form of gift	(1,285,150)	-	10	-	-	-
October 18, 2019	Transfer to Shalini Kedia in form of gift	(56,500)	-	10	-	-	-
November 15, 2021	Pursuant to a resolution passed by our Shareholders on November 15, 2021, each fully paid up equity share of face value ₹10 each was sub-divided into 10 equity share of face value ₹ 1 each, accordingly, the cumulative number of equity shares of Dr. Rajendra Agarwal was changed from 1,742,710 equity shares of face value ₹ 10 each to 17,427,100 Equity Shares of face value of ₹ 1 each.						
January 18, 2022	Allotment of Equity Shares pursuant to bonus issue in the ratio of 2:1	34,854,200	-	1	-	5.82%	[●]
Sub-Total (C)		52,281,300				8.73%	[●]
Total (A+B+C)		204,019,500				34.07%	[●]

(1) The relevant RoC form filing for the resolution passed by our Shareholders authorising issuance of equity shares on preferential basis is not available with the Company, nor in the records of RoC. We have relied on the search report dated February 1, 2022, prepared by Amit Dharmani & Associates, Company Secretaries. For details see "Risk Factors – We have not been able to locate certain of our corporate records." on page 46.

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment of such Equity Shares. As on the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters are subject to any pledge.

b) *Shareholding of our Promoters and Promoter Group*

The details of shareholding of our Promoters, and the Promoter Group (other than our Promoters) 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 (%)	Number of Equity Shares proposed to be offered	Post- Offer number of Equity Shares	Percentage of the post- Offer Equity Share capital (%)
Promoters*						
1.	Girdharilal Bawri	63,070,800	10.53	6,370,275	[●]	[●]
2.	Banwarilal Bawri	88,667,400	14.81	8,955,582	[●]	[●]
3.	Dr. Rajendra Agarwal	52,281,300	8.73	5,280,514	[●]	[●]

S. No.	Name of the shareholder	Pre-Offer number of Equity Shares	Percentage of the pre-Offer Equity share capital (%)	Number of Equity Shares proposed to be offered	Post-Offer number of Equity Shares	Percentage of the post-Offer Equity Share capital (%)
Sub-Total (A)		204,019,500	34.07	20,606,371	[●]	[●]
Promoter Group (other than our Promoters)*						
1.	Prateek Agarwal	7,55,52,000	12.62	7,630,901	[●]	[●]
2.	Ajay Agarwal	6,51,76,500	10.88	6,582,955	[●]	[●]
3.	Vijay Agarwal	6,25,08,300	10.44	6,313,461	[●]	[●]
4.	Anju Agarwal	4,88,43,000	8.16	4,933,239	[●]	[●]
5.	Gauri Agarwal	4,84,47,000	8.09	4,893,242	[●]	[●]
6.	Dr. Ruchi Agarwal	4,80,35,700	8.02	4,851,700	[●]	[●]
7.	Sudha Bawri	2,65,22,400	4.43	2,678,815	[●]	[●]
8.	Shalini Kedia	79,80,000	1.33	805,996	[●]	[●]
9.	Anushree Agarwal	68,76,000	1.15	694,490	[●]	[●]
10.	Taradevi Bawri	48,60,000	0.81	490,870	[●]	[●]
Sub-Total (B)		394,800,900	65.93	39,875,669	[●]	[●]
Total (A+B)		598,820,400	100.00	60,482,040	[●]	[●]

* Also, the Selling Shareholders

10. 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 18 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 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 18 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 Promoter	Number of equity shares locked-in ⁽¹⁾⁽²⁾	Date of allotment/ transfer	Nature of transaction	Face value (₹)	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
Girdharilal Bawri	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Banwarilal Bawri	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Dr. Rajendra Agarwal	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

* Subject to finalisation of the Basis of Allotment.

(1) For a period of 18 months or such other period as prescribed under SEBI ICDR Regulations from the date of Allotment.

(2) All Equity Shares were fully paid-up at the time of Allotment.

Our Promoters have given their consent to include such number of Equity Shares held by them as disclosed above, constituting 20% of the 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 share capital held by our Promoters, see “- *History of the Equity Share capital held by our Promoters*” on page 94.

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, involving any revaluation of assets or capitalisation of intangible assets;
- (ii) did not result from a bonus issue during the immediately preceding three years from the date of this Draft Red Herring Prospectus, by utilisation of revaluation reserves or unrealised profits of the 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.

All Equity Shares held by our Promoters are held in dematerialized form.

Further, our Company has not been formed by conversion of a partnership firm or a limited liability partnership firm into a company and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion from a partnership firm.

11. Details of Equity Shares locked-in for six months:

In addition to 20% of the fully diluted post-Offer shareholding of our Company held by our Promoters and locked-in for a period of 18 months as specified above, in terms 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, including any unsubscribed portion of the Offer for Sale, and any other categories of shareholders exempted under Regulation 17 of the SEBI ICDR Regulations, as applicable.

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.

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by the Promoters, which are locked-in may be transferred to another promoter or another members of the Promoter Group or to any new promoter or persons in control of our Company, subject to continuation of the lock-in; in the hands of the transferees for the remaining period and in compliance with the SEBI Takeover Regulations, as applicable. Such transferees are not eligible to transfer such transferred Equity Shares till the expiry of the lock-in period.

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 18 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 6 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.

However, the relevant lock-in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters and locked-in for a period of six months from the date of Allotment in the Offer may be transferred to any other person holding the Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to continuation of the lock-in in the hands of transferees for the remaining period and compliance with the SEBI Takeover Regulations. Such transferees shall not be eligible to transfer until the expiry of the lock -in period and compliance with the Takeover Regulations.

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

Any 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, or for such other duration as may be required under the SEBI ICDR Regulations.

13. ESOP Scheme

Our Company, pursuant to the resolutions passed by our Board and our Shareholders on February 3, 2022 and February 9, 2022, respectively, have adopted the ESOP Scheme.

The objective of the ESOP Scheme is *inter alia* to reward the eligible and potential employees of the Company and its Subsidiary(ies) companies and the group/associate company(ies) in India and/ or outside India for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use the ESOP Scheme to attract and retain talents in the organization. The Company views employee stock options as a means that would enable the employees to get a share in the value they create for the Company in future. The ESOP Scheme is in compliance with the SEBI SBEB Regulations and other applicable laws.

As on the date of this Draft Red Herring Prospectus, our Company has not granted any options under the ESOP Scheme.

14. Except as specified below, none of the Directors or Key Managerial Personnel of our Company hold any Equity Shares in our Company. For details, see “Our Management” on page 210.

Directors	Number of Equity Shares held
Girdharilal Bawri	63,070,800
Banwarilal Bawri	88,667,400
Dr. Rajendra Agarwal	52,281,300
Key Managerial Personnel	Number of Equity Shares held
Prateek Agarwal	75,552,000
Ajay Agarwal	65,176,500
Vijay Agarwal	62,508,300

15. 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.

16. There will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of the Draft Red Herring Prospectus with SEBI until the Equity Shares are listed on the Stock Exchanges.

17. As on the date of filing of this Draft Red Herring Prospectus, the total number of Shareholders of our Company is 13.
18. Our Promoters, any member of our Promoter Group, any of the Directors of our Company and their relatives, have not purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.
19. There have been no financing arrangements whereby members of our Promoter Group, our Directors and their relatives, have financed the purchase by any other person of securities of our Company during a period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.
20. Neither our Company, nor any of our Directors have entered into any buy-back arrangements for purchase of Equity Shares from any person. Further, the BRLMs have not made any buy-back arrangements for purchase of Equity Shares from any person.
21. There are no partly paid-up Equity Shares as on the date of Draft Red Herring Prospectus, and all the Equity Shares transferred pursuant to the Offer will be fully paid-up at the time of Allotment.
22. Our Promoters and Promoter Group shall not participate in the Offer, except by way of participation as Selling Shareholders, as applicable, in the Offer for Sale.
23. No person connected with the Offer, including, but not limited to, the members of the Syndicate, our Company, the Directors, members of our Promoter Group and the Promoters, shall offer or make payment of any incentive, direct or indirect, in the nature of discount, commission and allowance, except for fees or commission for services rendered in relation to the Offer, in any manner, whether in cash or kind or services or otherwise, to any Bidder for making a Bid.
24. As on the date of this Draft Red Herring Prospectus, the BRLMs and their respective associates (as defined in the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company. The BRLMs 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.
25. 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.
26. Our Company shall ensure that all transactions in the Equity Shares 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.

OBJECTS OF THE OFFER

The objects of the Offer are to (i) achieve the benefits of listing the Equity Shares on the Stock Exchanges; and (ii) carry out the Offer for Sale of up to 60,482,040 Equity Shares by the Selling Shareholders. Further, our Company expects that the proposed listing of its Equity Shares will enhance our visibility and brand image as well as provide a public market for the Equity Shares in India. Our Company will not receive any proceeds from the Offer. For details of Offered Shares from each Selling Shareholder, see “*The Offer*” on page 70.

Offer Expenses

The Offer expenses are estimated to be approximately ₹[●] million. Other than (a) listing fees payable to the Stock Exchanges which will be borne by the Company, (b) audit fees of statutory auditors (to the extent not attributable to the Offer) which will be borne by the Company, (c) expenses for any product or corporate advertisements consistent with past practice of the Company (other than the expenses relating to marketing and advertisements undertaken in connection with the Offer) which will be borne by the Company and (d) fees and expenses in relation to the legal counsel to the Selling Shareholders which shall be borne by the respective Selling Shareholders, all costs, charges, fees and expenses associated with and incurred in connection with the Offer shall be shared among the Company and each of the Selling Shareholders as mutually agreed by them and subject to Applicable Law. All such payments except BRLMs’ fees shall be made by the Company on behalf of the Selling Shareholders and upon the successful completion of the Offer, the Selling Shareholders agree that they shall, severally and not jointly, reimburse the Company in proportion to their respective proportion of the Offered Shares, for any expenses incurred by the Company on behalf of such Selling Shareholder. It is further clarified that all payments shall be made first by the Company and that each of the Selling Shareholders shall reimburse the Company for respective proportion of the expenses upon the successful completion of the Offer.

The expenses directly attributable to the portion with regard to Offer for Sale shall be borne by the Selling Shareholders in proportion to the number of Equity Shares sold by each of them in the Offer and the estimated expenses will be deducted from the Offer proceeds, as appropriate, and only the remaining amount will be paid to the Selling Shareholders, in accordance with Section 28(3) of the Companies Act.

The break-up for the Offer expenses is as follows:

Activity	Estimated expenses ⁽¹⁾ (in ₹million)	As a % of the total estimated Offer expenses ⁽¹⁾	As a % of the total Offer size ⁽¹⁾
Book Running Lead Managers’ fees including underwriting commission, brokerage and selling commission, as applicable	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank and Bankers to the Offer. Brokerage, underwriting commission and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs (2)(3)(4)(5)	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Others	[●]	[●]	[●]
- Listing fees, SEBI filing fees, upload fees, BSE & NSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
- Printing and distribution of issue stationery	[●]	[●]	[●]
- Advertising and marketing expenses	[●]	[●]	[●]
- Miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

⁽¹⁾ Offer expenses include applicable taxes, where applicable. Offer expenses will be incorporated at the time of filing of the Prospectus. Offer expenses are estimates and are subject to change.

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

Portion for RIBs*	[●]% of the Amount Allotted (plus applicable taxes)
Portion for Eligible Employees*	[●]% of the Amount Allotted (plus applicable taxes)
Portion for Non-Institutional Bidders*	[●]% of the Amount Allotted (plus applicable taxes)

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

Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

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

Processing fees payable to the SCSBs on the portion for RIBs, Eligible Employees 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 RIBs*	₹[●] per valid application (plus applicable taxes)
Portion for Eligible Employees	₹[●] of the Amount Allotted (plus applicable taxes)
Portion for Non-Institutional Bidders	₹[●] per valid application (plus applicable taxes)

* The processing fees for applications made by RIBs using the UPI Mechanism may be released to the SCSBs only after such SCSBs provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

- (4) Selling commission on the portion for RIBs, Eligible Employees 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 RIBs	[●]% of the Amount Allotted* (plus applicable taxes)
Portion for Eligible Employees	[●]% of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Bidders	[●]% of the Amount Allotted* (plus applicable taxes)

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

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.

Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the portion for RIBs and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking, would be as follows: ₹[●] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.

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.

Bidding charges payable to the Registered Brokers, RTAs/CDPs on the portion for RIBs, Eligible Employees and Non Institutional Bidders which are directly procured by the Registered Broker or RTAs or CDPs and submitted to SCSB for processing, would be as follows:

Portion for RIBs*	₹[●] per valid application (plus applicable taxes)
Portion for Eligible Employees*	₹[●] of the Amount Allotted (plus applicable taxes)
Portion for Non-Institutional Bidders*	₹[●] per valid application (plus applicable taxes)

* Based on valid applications

Processing fees for applications made by RIBs using the UPI Mechanism would be as under:

Members of the Syndicate / RTAs / CDPs	₹[●] per valid application (plus applicable taxes)
Sponsor Bank	₹[●] per valid application (plus applicable taxes) The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Escrow and Sponsor Bank Agreement.

Monitoring Utilization of Funds

Since the Offer is an offer for sale and our Company will not receive any proceeds from the Offer, our Company is not required to appoint a monitoring agency for the Offer.

Other confirmations

Except to the extent of any proceeds received pursuant to the sale of the Offered Shares by the Selling Shareholders, there is no arrangement whereby any portion of the Offer proceeds will be paid to our Promoters, Promoter Group, Directors, Key Managerial Personnel or Group Companies.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹1 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.

Bidders should read “Risk Factors”, “Our Business”, “Restated Consolidated Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 36, 158, 235 and 394, respectively, to have an informed view before making an investment decision.

Qualitative Factors

We believe that some of the qualitative factors which form the basis for computing the Offer Price are as follows:

- (i) Leading and fast-growing company with significant presence in the IPM;
- (ii) Proven track record of building brands;
- (iii) Diversified presence across global markets with calibrated business model;
- (iv) Environmental, social and governance focused, including extensive involvement in global access;
- (v) R&D-led differentiated portfolio of products;
- (vi) Diversified and quality-compliant manufacturing capabilities;
- (vii) Experienced, professional and stable management team; and
- (viii) Strong financial track record.

For further details, see “Our Business –Strengths” on page 162.

Quantitative Factors

Certain information presented below, relating to our Company, is derived from the Restated Consolidated Financial Information. Pursuant to a resolution of our Board dated September 27, 2021 and pursuant to the special resolution passed by our shareholders dated November 15, 2021, each equity share of face value of ₹10 each was sub-divided into 10 equity shares of face value of ₹ 1 each. Accordingly, the issued, subscribed and paid-up capital of our Company was sub-divided from 19,960,680 equity shares of face value of ₹ 10 each to 199,606,800 equity shares of face value of ₹1 each. Sub-division of shares are retrospectively considered for the computation of EPS in accordance with Ind AS 33 for all periods presented and for the computation of Net Asset Value per share for all periods presented. The Board of Directors pursuant to a resolution dated November 15, 2021 and the special resolution dated November 29, 2021 passed by our Shareholders, have approved the issuance of 399,213,600 bonus Equity Shares in the ratio of two Equity Shares for every one existing fully paid up Equity Share which were issued and allotted on January 18, 2022. Bonus shares are retrospectively considered for the computation of EPS in accordance with Ind AS 33 for all periods presented and for the computation of Net Asset Value per share for all periods presented. For further details on basic and diluted earnings per share for the six months period ended September 30, 2021 and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 as per Ind AS 33, see “Restated Consolidated Financial Information” on page 235.

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

1. Basic and Diluted Earnings Per Share (“EPS”), as adjusted for changes in capital:

As derived from the Restated Consolidated Financial Information:

Financial Period	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
Financial Year 2021	33.74	33.74	3
Financial Year 2020	26.18	26.18	2
Financial Year 2019	23.72	23.72	1
Weighted Average	29.55	29.55	-
Six-month period ended September 30, 2021 (not annualised)	10.56	10.56	-

Notes:

- (1) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year. The figures disclosed above are based on the Restated Consolidated Financial Information of our Company.
- (2) Earning Per Share (Basic) = Restated net profit after tax and adjustments, available for equity shareholders/Weighted average number of equity shares outstanding during the period/year.
- (3) Earning Per Share (Diluted) = Restated profit for the period/year / Weighted average number of diluted potential equity shares outstanding during the period/year.
- (4) The above statement should be read with Significant Accounting Policies and the Notes to the Restated Consolidated Financial Information as appearing in Restated Consolidated Financial Information.

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

Particulars	P/E at the lower end of Price Band (no. of times)	P/E at the higher end of Price Band (no. of times)
Based on Basic EPS for Financial Year 2021	[●]	[●]
Based on Diluted EPS for Financial Year 2021	[●]	[●]

Industry P/E ratio

	P/E Ratio
Highest	73.91
Lowest	11.14
Industry Composite	32.53

Notes:

- (1) The industry high and low has been considered from the industry peer set. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section.
- (2) P/E figures for the peer are computed based on closing market price as on February 10, 2022 at NSE, divided by Diluted EPS (on consolidated basis) based on the annual report of the company for the Financial Year 2021.

3. Return on Net Worth (“RoNW”)

As derived from the Restated Consolidated Financial Information of our Company:

Particulars	RoNW %	Weight
Financial Year 2021	53.31%	3
Financial Year 2020	20.78%	2
Financial Year 2019	23.67%	1
Weighted Average	37.53%	-
Six-month period ended September 30, 2021 (not annualised)	14.46%	-

Notes:

- (1) Return on Net worth (%) = Restated net profit after tax and adjustments / Restated net worth at the end of the period/year
- (2) Net worth for calculating ratios = Equity share capital + Other equity (including Securities premium, General reserve and Retained earnings) + Non-Controlling Interest.

4. Net Asset Value per Equity Share of face value of ₹ 1 each

Net Asset Value per Equity Share	(₹)
As on March 31, 2021*	63.37
As on September 30, 2021	73.70
After the Offer	At Floor Price: [●] At Cap Price: [●]

Net Asset Value per Equity Share	(₹)
Offer Price	[●]

* Stock split of shares and Bonus shares are retrospectively considered for the computation of Net Asset Value per share for all periods presented.

Notes:

Net Asset Value per Share (in ₹) = Restated net worth at the end of the period/year / Weighted number of equity shares outstanding at the end of the period/year.

5. Comparison of accounting ratios with listed industry peers

Name of the company	Face Value (₹ per share)	Revenue from operations for Financial Year 2021 (₹ million)	Basic EPS for Financial Year 2021 (₹)	Diluted EPS for Financial Year 2021 (₹)	P/E for Financial Year 2021	RONW for Financial Year 2021 (%)	NAV As at March 31, 2021 (₹)
Macleods Pharmaceuticals Limited	1	71,994	33.74	33.74	-	53.31%	63.37
Listed Peers							
Torrent Pharmaceuticals Limited	5	80,048	73.98	73.98	35.11	21.45%	344.94
Alkem Laboratories Limited	2	88,650	132.57	132.57	26.41	21.40%	632.13
Cipla Limited	2	189,885	29.82	29.79	32.73	12.85%	230.46
Sun Pharmaceutical Industries Limited	1	334,981	12.10	12.10	73.91	4.59%	206.22
Dr. Reddy's Laboratories Limited	5	190,475	117.67	117.34	37.25	11.06%	1,064.51
Lupin Limited	2	151,630	26.84	26.72	30.18	8.86%	305.46
Cadila Healthcare Limited	1	151,022	20.84	20.84	19.26	14.64%	145.83
Eris Lifesciences Limited	1	12,119	26.16	26.14	26.76	22.53%	116.10
Ipca Laboratories Limited	2	54,200	90.11	90.11	11.14	24.20%	371.79

(1) Diluted EPS for peers sourced from the annual report for the Financial Year 2021, whereas for our Company it is based on the Restated Consolidated Financial Information of Company.

(2) P/E Ratio has been computed based on the closing market price of equity shares on NSE on February 10, 2022, divided by the Diluted EPS provided under Note 1 above.

(3) RoNW is computed as net profit after tax (including profit attributable to non-controlling interest) divided by closing net worth as on March 31, 2021. Net worth has been computed as sum of paid-up share capital, other equity and non-controlling interest.

(4) NAV is computed as the closing net worth divided by the closing outstanding number of equity shares. For our Company, sub-division of Equity Shares and the bonus issue of Equity Shares are retrospectively considered for the computation of Net Asset Value per share for all periods presented.

* NAV per Share (in ₹) = Restated net worth at the end of the period/year / Weighted number of equity shares outstanding at the end of the period/year.

6. The Offer price is [●] times of the face value of the Equity Shares

The Offer Price of ₹[●] has been determined by our Company and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers, on the basis of assessment of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters.

Bidders should read the above-mentioned information along with “Risk Factors”, “Our Business”, “Restated Consolidated Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 36, 158, 235 and 394, respectively, to have a more informed view. The trading price of Equity Shares could decline due to factors mentioned in “Risk Factors” beginning on page 36 and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

To,
The Board of Directors,
M/s. Macleods Pharmaceuticals Limited,
Atlanta Arcade, Church Road,
Near Leela Hotel, Andheri-Kurla Road,
Andheri (East), Mumbai – 400 059,
Maharashtra, India.

Sub: Statement of Possible Special Tax Benefits available to M/s. Macleods Pharmaceuticals Limited (“Company” or “Issuer”), its Material Subsidiary and the shareholders of the Company prepared to comply with the requirements of the clause 9(L) of Part A of Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “SEBI ICDR Regulations”).

1. This report is issued in accordance with the terms of our engagement letter dated 22 November 2021.
2. The accompanying Statement of Possible Special Tax Benefits available to the Company, its Shareholders and/or its material subsidiary identified in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (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, 2021 and proposals of the Finance Bill, 2022 (hereinafter referred to as the “Indian Income Tax Regulations”) and the Income Tax regulations in the respective country where the material subsidiary is located, as on the signing date, for inclusion in the Draft Red Herring Prospectus (“DRHP”) for the proposed initial public offering of the Company through an offer for sale of equity shares by certain existing shareholders (“Offer”), 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 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 on 03 February 2022 for the purpose set out in paragraph 11 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 the 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 Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
5. Pursuant to 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 to the Company, its shareholders and/or the material subsidiary of the Company in accordance with Indian Income Tax Regulations and the Income Tax regulations of the respective country where material subsidiary is located as at the date of our report.
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.

7. It is imperative to note that we have relied upon the representation from the Management of the Company and confirmations received from the tax advisors of the respective overseas material subsidiary of the Company with respect to the special tax benefits availed in their respective overseas jurisdiction.

Macleods Pharma USA, Inc. incorporated in USA is identified in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) as the material subsidiary by the Company on the date of signing of this report.

8. Our work is performed solely to assist the Management in meeting their responsibilities in relation to compliance with the Act and the SEBI ICDR Regulations in connection with the Offer.

Inherent Limitations

9. 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 subsidiary fulfilling the conditions prescribed under the relevant provisions of the respective tax laws. Hence, the ability of the Company or its shareholders or its material subsidiary to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the accompanying Statement are not exhaustive and also do not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

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.

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 Indian Income Tax Regulations and the Income Tax regulations of the respective country where the Company and its material subsidiary is located, 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.

Opinion

10. In our opinion, the Statement prepared by the Company presents, in all material respects, the possible special tax benefits available as on the date of signing of this report, to the Company, its shareholders and its material subsidiary, in accordance with the Indian Income Tax Regulations and the Income Tax regulations of the respective jurisdiction where the material subsidiary is located.

Considering the matter referred to in paragraph 5 above, we are unable to express any opinion or provide any assurance as to whether:

- (i) The Company or its shareholders or its material subsidiary will continue to obtain the benefits as per the Statement in future; or
- (ii) The conditions prescribed for availing the benefits as per the Statement have been/ would be met with.

Restriction on Use

11. 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, the stock exchanges where the equity shares of the Company are proposed to be listed in connection with the Offer, as the case may be. Accordingly, this report should not be reproduced or used for any other purpose without our prior written consent.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

For B.A.K.D. & Co.
Chartered Accountants
Firm Registration No: 138880W

Huned Contractor
Partner
Membership No.: 41456

UDIN: 22041456ABNBLN7873

Place: Mumbai
Date: 12 February 2022

Ashok Bansal
Partner
Membership Number: 040075

UDIN: 22040075ABOTTO2251

Place: Mumbai
Date: 12 February 2022

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, ITS MATERIAL SUBSIDIARY AND SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE DIRECT TAX LAWS IN INDIA AND IN RESPECTIVE COUNTRY (IN THE CASE OF MATERIAL SUBSIDIARY)

A. Direct Taxation

Benefits available to M/s. Macleods Pharmaceuticals Limited (“the Company”) including its Material Subsidiary – viz Macleods Pharma USA, Inc. – United States of America (“USA”); and the Shareholders of the Company under the Income-tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2021, and proposals of the Finance Bill, 2022 (hereinafter referred to as “Indian Income Tax Regulations”) and Income Tax regulations in the respective country where material subsidiary is located are as under:

1 Special Tax Benefits available to the Company

- (i) As per Section 2 of chapter II of Finance Act, 2021 (Rates of Income-tax), Income-tax shall be charged at the rates specified in Part III of the First Schedule. Since the Company’s turnover is greater than INR 400 crore in the previous year 2019-20, it will be liable to pay tax at the rate of 30% (plus applicable surcharge and health and education cess) on the total income for Assessment Year (“AY”) 2022-23.

Further, the Company also has an option as per the provisions of Section 115BAA of the Income-tax Act, 1961 (“the Act”) to opt for reduced tax rate of 22% (plus applicable surcharge and health and education cess) subject to fulfillment of certain conditions specified in the said Section. Such option once exercised shall apply to all subsequent assessment years. Where such an option is exercised, the Company will not be allowed to claim any of the following deductions/exemptions:

- (i) Deduction under Section 10AA of the Act (deduction for units in Special Economic Zone);
- (ii) Deduction under clause (iia) of sub-section (1) of Section 32 of the Act (Additional depreciation);
- (iii) Deduction under Section 32AD, Section 33AB, or Section 33ABA of the Act (Investment allowance in backward areas, Investment deposit account, site restoration fund);
- (iv) Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of Section 35 of the Act (Expenditure on scientific research);
- (v) Deduction under Section 35AD or Section 35CCC of the Act (Deduction for specified business, agricultural extension project);
- (vi) Deduction under Section 35CCD of the Act (Expenditure on skill development);
- (vii) Deduction under any provisions of Chapter VI-A other than the provisions of Section 80JJAA or Section 80M of the Act;
- (viii) No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred from clause i) to vii) above; and
- (ix) No set off of any loss or allowance for unabsorbed depreciation deemed so under Section 72A of the Act, if such loss or depreciation is attributable to any of the deductions referred from clause i) to vii) above.

Additionally, the provisions of Section 115JB of the Act i.e. MAT shall not apply to the Company on exercise of the option under Section 115BAA of the Act, as specified under sub-section (5A) of Section 115JB of the Act. The Company is also required to submit the prescribed form with the Income-tax authorities within the specified due date for filing Income-tax Return.

It is pertinent to note that in case where a Company does not opt for the lower tax rate, the Company would be liable to pay tax at the rate of 30% (plus applicable surcharge and health and education cess).

- (ii) Dividend received by an Indian company from a specified foreign company (in which it has shareholding of 26% or more) is taxable at 15% (plus applicable surcharge and health and education cess) as per Section 115BBD of the Act. However, the Finance Bill 2022 proposes to withdraw such benefit under Section 115BBD of the Act with effect from FY 2022-23.

- (iii) As per provisions of Section 10AA of the Act, an entity engaged in any business of manufacturing or producing articles or things or providing any services through its “Unit” in a Special Economic Zone (“SEZ”) is eligible to claim deduction of:
- a. an amount equal to 100% of the profits and gains derived from such business for first five consecutive assessment years beginning with the assessment year in which such Unit begins to manufacture or produce such articles or things or provide services, as the case may be;
 - b. an amount equal to 50% of the profits and gains derived from such business for next five consecutive assessment years; and
 - c. an amount not exceeding 50% of the profits and gains derived from such business provided such amount is credited to a special reserve account (to be called the "Special Economic Zone Re-Investment Reserve Account") for the next five consecutive assessment years. Further, Section 10AA(2) of the Act specifies conditions to be fulfilled by the Company to claim the deduction under this part. It also lays down manner in which the amount accumulated in the special reserve account can be utilised by the Company for the purposes of its business.

It is pertinent to note that such deduction shall only be available to entities which have established its unit and commenced its operations before 01 April 2021.

The Company has a unit in SEZ located at Indore, Madhya Pradesh which we understand is eligible to claim deduction under Section 10AA of the Act. In order to claim benefit under this Section, the Company is required to file the prescribed form with the Income-tax authorities within the specified due date.

- (iv) As per provisions of Section 32(1)(iia) of the Act, a company engaged in a specified business can avail additional depreciation equal to 20% of the actual cost of eligible new plant and machinery acquired and installed by it. The Company being engaged in a specified business claims additional depreciation on eligible assets.
- (v) In accordance with and subject to fulfilment of conditions as laid out under Section 35D of the Act, the Company may be entitled to amortize preliminary expenditure, being specific expenditure incurred in connection with the issue for public subscription or in connection with expenditure as prescribed under Section 35D of the Act, subject to the limit specified in Section 35D of the Act (Maximum 5% of the cost of project or where the assessee is an Indian company, 5% of the capital employed in the business of the company at the option of such company). The deduction 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 business commences or as the case may be, the previous year in which the extension of the undertaking is completed, or the new unit commences production or operation.
- (vi) In accordance with the provisions of Section 35DD of the Act, where a company incurs any expenditure wholly and exclusively for the purposes of amalgamation or demerger of an undertaking, the company shall be allowed a deduction of an amount equal to one-fifth of such expenditure for each of the five successive years beginning with the year in which amalgamation or demerger takes place.

Pursuant to the approval of the Scheme of Arrangement for Demerger (“demerger scheme”) between the Company and Agarwal Holdings Private Limited (“AHPL”) by the National Company Law Tribunal, Mumbai Bench vide order dated 23 December 2021, the Investment division of the Company has been demerged into AHPL with effect from 01 January 2021. In view of this, the Company will be entitled to claim a deduction of expenses related to aforesaid demerger in five equal installments.

- (vii) As per Section 35(2AB) of the Act, a company engaged in a specified business is eligible to claim 100% deduction of the capital and revenue expenditure incurred on its in-house scientific research and development facility (“in-house R&D facility”) provided such facility is approved by the prescribed authority. However, expenditure incurred towards cost of land and building is not deductible under the said provision.

Further, the Company is also required to maintain separate accounts for such approved in-house R&D facility

and fulfill other conditions laid out under Section 35(2AB) of the Act. The expenditure incurred should also be in consonance with the guidelines issued by the prescribed authority. In addition, the Company should file prescribed form with the income-tax authorities within the specified due date.

It is pertinent to note that the Company cannot avail income-tax depreciation on assets, the cost of which has been claimed as a deductible expenditure under Section 35(2AB) of the Act.

- (viii) As per section 35(1)(iv) of the Act, a company can avail deduction amounting to 100% of the capital expenditure incurred on scientific research related to its business. However, no deduction is allowed for expenditure incurred for acquisition of land. Further, where the Company avails deduction under the said section for any asset, it will not be eligible to claim income-tax depreciation on such asset.
- (ix) In accordance with and subject to the fulfillment of the conditions laid out in Section 80-IE of the Act, a Company is entitled to avail 100% deduction on the profits and gains from business or profession of an eligible undertaking located in any North-Eastern States of India. The deduction is available for ten consecutive assessment years beginning from the year the undertaking commences its eligible business or completes specified substantial expansion. This section applies to only those eligible undertakings which have, begun its operations during the period 01 April 2007 to 01 April 2017.

The Company has an eligible undertaking in Sikkim, which is availing deduction under Section 80-IE of the Act effective Assessment Year 2016-17.

It is pertinent to note that in order to claim benefit under this Section, the Company is required to file the prescribed form with the Income-tax authorities within the specified due date.

- (x) As per section 80JJAA of the Act, where a company is subject to tax audit under Section 44AB of the 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 fulfillment of prescribed conditions specified in sub-section (2) of Section 80JJAA of the Act. In addition, the Company is required to submit the prescribed form with the Income-tax authorities within the specified due date.

- (xi) Further, as per the provisions of Section 80M of the Act, dividend received by the Company from any other domestic company, or a foreign company shall be eligible for deduction while computing its total income for the relevant year. The amount of such deduction would be restricted to the amount of dividend distributed by the Company to its shareholders on or before one month prior to due date of filing of its Income-tax return for the relevant year. Since the Company has investments in Indian and foreign subsidiaries and other companies, it can avail the above-mentioned benefit under Section 80M of the Act.

2 Special Tax Benefits available to the Material Subsidiary of the Company

Macleods Pharma USA, Inc.

- (i) Macleods Pharma USA, Inc. has been established under and is governed by the domestic laws of USA. It has not used, and is not currently using, any temporary or expiring tax credits to calculate its direct tax liabilities. Further, Macleods Pharma USA, Inc. has not availed any tax holidays or allocated taxing authority credits while calculating its direct tax liability.

3 Special Tax Benefits available to the Shareholders of the Company

- (i) Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of domestic corporate shareholder, deduction under Section 80M of the Act would be available on fulfilling the conditions (as discussed above). Further, in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated

or not and every artificial juridical person, surcharge would be restricted to 15%, irrespective of the amount of dividend.

Further, the shareholders would be entitled to take credit of the Tax Deducted at Source by the Company against the taxes payable by them.

- (ii) As per Section 112A of the Act, long-term capital gains arising from transfer of an equity share for which securities transaction tax (“STT”) is paid at the time of acquisition and sale, shall be taxed at 10% (without indexation) of such capital gains. This is subject to fulfillment 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 capital gains exceed INR 1,00,000/- in a year.

Further, the Finance Bill 2022 proposes to restrict surcharge to 15% in respect of long-term capital gain arising from any capital asset.

- (iii) As per Section 90(2) of the Act, non-resident shareholders will be eligible to take the beneficial provisions under the respective Double Taxation Avoidance Agreement (“DTAA”), If any applicable to such non-residents. This is subject to fulfillment of conditions prescribed to avail treaty benefits.

Further, any income by way of capital gains payable to non-residents may be subject to withholding tax in accordance with the provisions of the Act or under the relevant DTAA, whichever is beneficial to such non-resident unless such non-resident has obtained a lower withholding tax certificate from the tax authorities. 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 special tax benefits are dependent on the Company or its shareholders or its material subsidiary fulfilling the conditions prescribed under the relevant provisions of the Indian Income Tax Regulation and Income Tax regulations of the respective country where material subsidiary is located. Hence, the ability of the Company or its shareholders or its material subsidiary to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders or its material subsidiary may or may not choose to fulfil.
2. It is imperative to note that reliance has been placed on the confirmations received from the tax advisors of the overseas material subsidiary of the Company with respect to the special tax benefits availed in their respective overseas jurisdiction.
3. The special tax benefits discussed in the Statement are not exhaustive and are 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.
4. The Statement has been prepared on the basis that the shares of the Company are proposed to be listed on a recognized stock exchange in India.
5. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:
 - i. the Company or its shareholders or its material subsidiary 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.

6. The above views are based on the existing provisions of laws and its interpretation, which are subject to change from time to time.

For and on behalf of M/s. Macleods Pharmaceuticals Limited

Patri Venkat Raghavendra Rao
Chief Financial Officer (CFO)

Place: Mumbai
Date: February 12, 2022

STATEMENT OF SPECIAL TAX BENEFITS

To,
The Board of Directors
M/s. Macleods Pharmaceuticals Limited
Atlanta Arcade, Church Road,
Andheri Kurla Road, Andheri (E),
Mumbai - 400 059,
Maharashtra, India.

Sub: Statement of Possible Special Tax Benefits available to M/s. Macleods Pharmaceuticals Limited (“Company” or “Issuer”), its Material Subsidiary and the shareholders of the Company prepared to comply with the requirements of the clause 9(L) of Part A of Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the ‘SEBI ICDR Regulations’)

1. This report is issued in accordance with the terms of our engagement letter dated 22 November 2021.
2. The accompanying Statement of Possible Special Indirect Tax Benefits available to the Company, its Shareholders and/or its material subsidiaries identified in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (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), Goods and Services Tax (Compensation to States) Act, 2017 (read with Goods and Services Tax (Compensation to States) 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 and schemes), and Special Economic Zones Act, 2005 (together referred to as “Indian Indirect Tax Regulations”) and the Indirect Tax Regulations in the United States of America (U.S.A.) where the material subsidiary is located, as on the signing date, for inclusion in the Draft Red Herring Prospectus (‘DRHP’) for the proposed initial public offering of the Company through an offer for sale of equity shares by existing shareholders (‘Offer’), 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 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 on 03 February 2022 for the purpose set out in paragraph 11 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 the 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 Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
5. Pursuant to 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 to the Company, its shareholders and the material subsidiary of the Company in accordance with Indian Indirect Tax Regulations and the Indirect Tax Regulations of U.S.A. where material subsidiary is located as at the date of our report.

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.
7. It is imperative to note that we have relied upon a representation from the Management of the Company and confirmations received from the tax advisors of the respective overseas material subsidiary of the Company with respect to the special tax benefits in their respective overseas jurisdictions.

Macleods Pharma USA, Inc. incorporated in USA is identified in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, as the material subsidiary by the Company on the date of signing of this report.

8. Our work is performed solely to assist the Management in meeting their responsibilities in relation to compliance with the Act and the SEBI ICDR Regulations in connection with the Offer.

Inherent Limitations

9. 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 subsidiary fulfilling the conditions prescribed under the relevant provisions of the respective tax laws. Hence, the ability of the Company or its shareholders or its material subsidiary to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the accompanying Statement are not exhaustive and also do not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

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.

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 Indian Indirect Tax Regulations and the Indirect Tax Regulations of the U.S.A. where material subsidiary is located, 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.

Opinion

10. In our opinion, the Statement prepared by the Company presents, in all material respects, the possible special tax benefits available as on the date of signing of this report, to the Company, its shareholders and its material subsidiaries, in accordance with the Indian Indirect Tax Regulations and the Indirect Tax Regulations of USA where the material subsidiary is located.

Considering the matter referred to in paragraph 5 above, we are unable to express any opinion or provide any assurance as to whether:

- (iii) The Company or its shareholders or its material subsidiary will continue to obtain the benefits per the Statement in future; or
- (iv) The conditions prescribed for availing the benefits per the Statement have been/ would be met with.

Restriction on Use

11. 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, the stock exchanges where the equity shares of the Company are proposed to be listed in connection with the Offer, as the case may be. Accordingly, this report should not be reproduced or used for any other purpose without our prior written consent.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

For **B.A.K.D & Co.**
Chartered Accountants
Firm Registration No. 138880W

Huned Contractor
Partner
Membership no.: 41456

UDIN: 22041456ABSQEY3228

Place: Mumbai
Date: 12 February 2022

Ashok Bansal
Partner
Membership no.: 040075

UDIN: 22040075ABOQLE373

Place: Mumbai
Date: 12 February 2022

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, ITS MATERIAL SUBSIDIARIES AND SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE INDIRECT TAX LAWS IN INDIA AND IN RESPECTIVE COUNTRIES (IN THE CASE OF MATERIAL SUBSIDIARIES)

Indirect taxes

A. Special tax benefits available to Macleods Pharmaceuticals Limited ('the Company') under the Indirect Tax Regulations

1. Benefits under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20)

Advance Authorization (AA)

The objective of the AA Scheme is to facilitate import of material for producing quality goods and services and enhancing India's manufacturing competitiveness. AA Scheme facilitates import of material for producing quality goods and services at zero customs duty.

Export Obligation (EO) in the case of Advance Authorization is the value of export that needs to compulsorily be achieved within a prescribed time period.

AA license holder is exempted from payment of whole of Basic Customs Duty, Additional Customs Duty and Special Additional Duty in-lieu of Value Added Tax/local taxes (non-GST goods), Integrated Goods and Services Tax (IGST) and Compensation Cess, wherever applicable, subject to certain conditions.

2. Benefits of Duty Drawback scheme under Section 75 of the Customs Act, 1962

As per section 75, Central Government is empowered to allow duty drawback on export of goods, where the imported materials are used in the manufacture of such goods. Unlike drawback of a portion of the customs duty paid on imported goods, here the main principle is that the Government fixes a rate per unit of final article to be exported out of the country as the amount of drawback payable on such goods.

3. Benefits under Special Economic Zones Act, 2005

As per section 7 of Special Economic Zones Act, any goods or services exported out of, or imported into, or procured from the Domestic Tariff Area by a unit in a Special Economic Zone or a developer shall, subject to such terms, conditions, and limitations, as may be prescribed shall be exempt from the payment of taxes, duties or cess.

4. Benefits under the Central Goods and Services Act, 2017, respective State Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 (read with relevant Rules prescribed thereunder)

Export of goods or services

Under the GST regime, all supplies of goods and services which qualify as export of goods or services are zero-rated which can be supplied either with or without payment of Integrated Goods and Services Tax (IGST).

Either exporter can export under Bond/ Letter of Undertaking (LUT) as zero-rated supply without payment of IGST and claim refund of accumulated ITC or the exporter may export with payment of IGST and claim refund thereof as per the provisions of Section 54 of Central Goods and Services Tax Act, 2017.

Thus, the GST law permits the exporter (which will include the supplier making supplies to SEZ) to claim refund upfront as IGST (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.

5. **Budgetary Support Scheme as notified by the Ministry of Commerce & Industry on 5 October 2017**

A Budgetary Support Scheme has been notified under the GST regime to support manufacturing units located in the states of Jammu and Kashmir, Uttarakhand, Himachal Pradesh and north East India including Sikkim. Such scheme is only applicable to units which were operating under erstwhile area-based exemption schemes and the application has to be filed on a quarterly basis.

The value of such budgetary support under this scheme for the specified goods manufactured by the eligible units shall be 58 percent of the Central Goods and Services Tax (CGST) and 29 percent of the Integrated Goods and Services Tax (IGST) paid through debit in the cash ledger account maintained by the units after utilization of input tax credit. Further, liability paid under reverse charge mechanism through debit in the cash ledger shall be excluded for the purpose of computing the benefit.

B. **Special Tax Benefits available to the Material Subsidiaries of the Company**

There are no special Indirect tax benefits available to Macleods Pharma USA Inc. in the United States of America.

C. **Possible special benefits for shareholders of the Company**

The shareholders of the Company are not required to discharge any GST on transaction in securities of the Company. [Securities are excluded from the definition of Goods as defined u/s 2(52) of the Central Goods and Services Tax Act, 2017 as well from the definition of Services as defined u/s 2(102) of the Central Goods and Services Tax Act, 2017].

Apart from the above, the 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).

Notes:

1. These special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Indirect Tax Regulations. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company 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 shares of the Company are to be listed on a recognized stock exchange in India and the Company will be issuing equity shares.
4. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:
 - i. The Company 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 basis the provisions of law, their interpretation and applicability as on date, which may be subject to change from time to time.

For and on behalf of **M/s. Macleods Pharmaceuticals Limited**

Patri Venkat Raghavendra Rao

Chief Financial Officer (CFO)

Place: Mumbai

Date: 12 February 2022

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Unless noted otherwise, the information in this section has been obtained or derived from the report titled “Industry Overview” dated January 25, 2022, prepared by IQVIA (the “Report”). All information contained in the Report has been obtained by IQVIA from sources believed by it to be accurate and reliable. The information contained herein was prepared expressly for use herein and was based on certain assumptions and information available at the time the Report was prepared. As with any attempt to estimate future events, the forecasts, projections, conclusions, and other information included herein are subject to certain risks and uncertainties, and are not to be considered guarantees of any particular outcome. IQVIA has confirmed that certain third-party information used or cited in the Report has been obtained from publicly available information and acknowledgements of sources have been given wherever necessary in the Report. The Report, in part or in whole, is not intended to constitute investment advice, and is not a recommendation to purchase or not purchase, an endorsement of, or an opinion as to the value of, any security or any investment instrument of any entity. In this disclaimer the terms IQVIA and IQVIA shall be deemed to include its affiliated companies, directors, officers, employees and agents. The Report is not a comprehensive evaluation of the industry, the Company or the Equity Shares and all material within the Report should be deemed as expressions of opinion which are subject to change without notice.

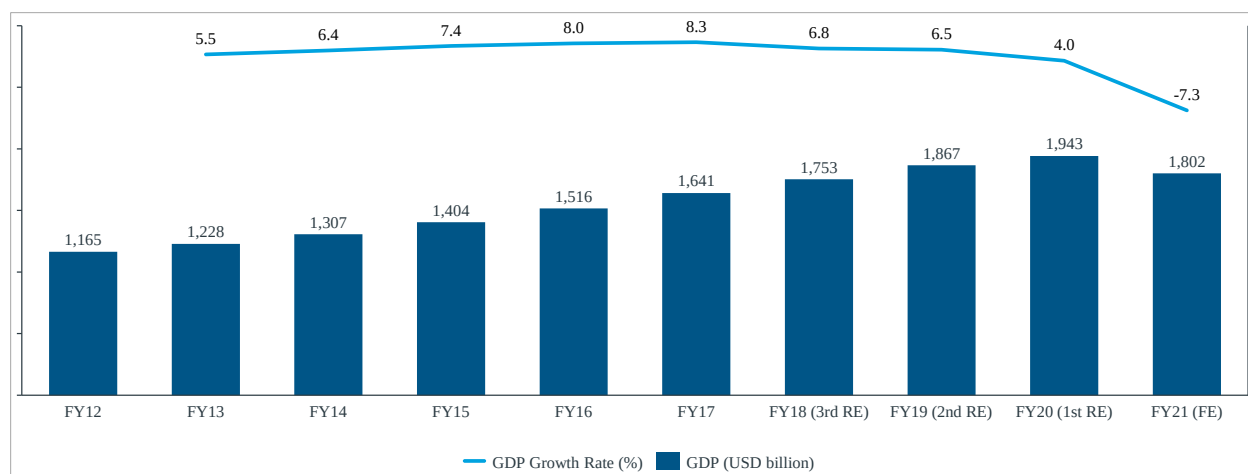
Macroeconomic Overview of India

Trend in GDP growth in India

India ranks 7th in the world in terms of GDP, with an average annual growth rate between 6% to 7% since financial year 1991. India’s real GDP was estimated at USD 1,943 billion in Fiscal 2020 which dropped to USD 1,802 billion in Fiscal 2021 due to impact of COVID-19. After shrinking by 7.3% in Fiscal 2021, the Indian economy has shown some positive signs as it grew in the range of 7-9% in the second quarter (Q2) of Fiscal 2022, against a contraction of 7.4% in the corresponding period of the previous fiscal. India's GDP growth is pegged at 9.5% and 8.5% in Fiscal 2022 and Fiscal 2023, respectively. Further, the growth rate is expected to stabilize around 6-6.5% till Fiscal 2026. Rising consumption, India’s push for domestic manufacturing, and favourable funding conditions will be some of the key growth drivers.

The Government and Reserve Bank of India (RBI) have introduced several initiatives to support GDP growth. RBI provided a liquidity window of ₹ 50,000 Cr for the healthcare sector with tenors of upto three years at the repo rate of 4%. RBI also provided a liquidity window of ₹ 15,000 Cr for contact intensive sectors, including restaurants, tourism, and aviation. The government launched a four-year National Monetization Pipeline (NMP) worth ₹ 6 lakh Cr from Fiscal 2022 to Fiscal 2025. The NMP was announced to provide a clear framework for monetization and give potential investors a ready list of assets to generate investment interest. Private sector investment is expected to generate employment opportunities, thereby enabling high economic growth.

Real GDP (in USD billion) and Growth Rates (in %) (Constant Prices)



RE-Revised Estimate; FE-Forecasted Estimate

Source: Ministry of Statistics and Programme Implementation

Note: Real GDP data as per 2011-12 series from MoSPI in ₹ is converted to USD using exchange rate of 1 USD = 75 ₹

Outlook on India's GDP growth

Indian economy was more adversely affected by COVID-19 as compared to advanced and developing economies, considered as a whole. India witnessed a GDP decline of 7.3% in Fiscal 2021. However, Indian economy is set to bounce back from COVID-19 induced slump, with GDP growth expected to clock 9.5% in Fiscal 2022 driven by weak base, favourable trade market for India and measures taken by the government. Further the growth rate is expected to stabilize around 6-6.5% till Fiscal 2026.

As per MoSPI data for Q2 Fiscal 2022, improved performance of core industry sectors, growth in agriculture, and increase in production indicates support to future GDP growth of India. Enhanced business sentiments coupled with the accommodative stance observed by RBI is expected to facilitate economic optimism. As per IMF's World Economic Outlook 2021, India is expected to be one of the few major economies to register a higher real GDP in Fiscal 2022 compared to its real GDP in Fiscal 2020. Countries like France, Germany, UK, and Japan are likely to remain negative in terms of magnitude of real GDP in Fiscal 2022 vs Fiscal 2020. India is also expected to overtake China in terms of GDP growth in Fiscal 2022 and is anticipated to maintain this position for the next 5 years.

Trend and outlook on real GDP growth (% on-year)



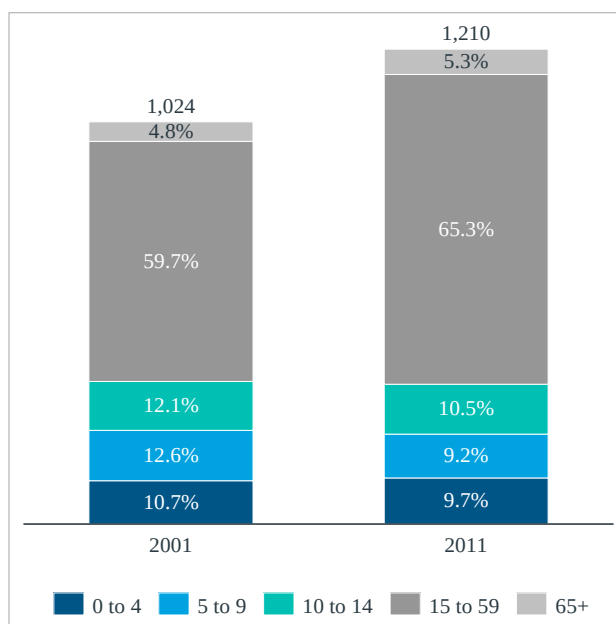
Source: IMF

Note: YoY GDP growth forecast in % for FY21-26

Population growth of India

India has one of the largest proportions of population in the younger age groups in the world. As per census data, working age (15-59 years) population in India had increased to 65.2% in CY11 as compared to 59.5% in CY01. According to United Nations, India's population is expected to reach 1.5 billion by CY30 from 1.2 billion in CY11, making it the world's most populous country, exceeding China (with 1.4 billion people by CY30).

Population Distribution by Age (Mn)



Source: Census India

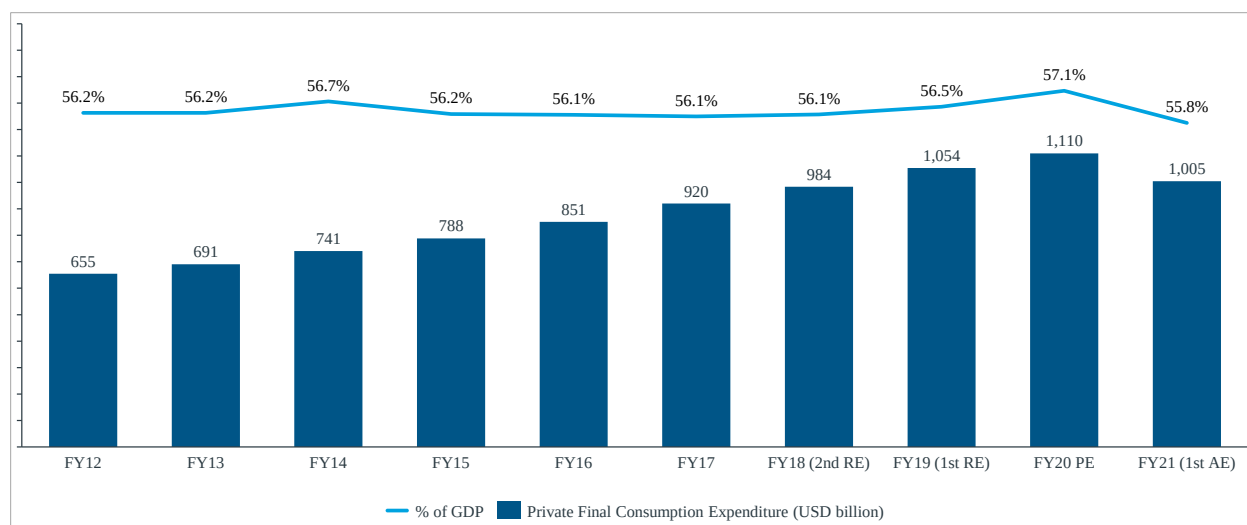
Note: Share of age group in Indian population in % as per 2001 and 2011 census data

Review of Private Final Consumption Growth in India

The share of its domestic consumption, measured by private final consumption expenditure (PFCE), to GDP was ~57% in Fiscal 2020 in terms of constant prices. Such a high share of PFCE in India's GDP provides an advantage in the form of insulation from the volatility in global economy. India's PFCE witnessed growth of 6.8% CAGR over Fiscal 2012-20.

However, uncertain economic conditions owing to COVID-19 made the population more conscious about their consumption, savings, and investments, thus negatively impacting the consumption pattern of India in Fiscal 2021. Changes in consumption priorities led to severe impact on consumption of discretionary categories like apparel and lifestyle while need-based categories like food and pharmaceuticals witnessed growth in Fiscal 2021.

Total Private Final Consumption Expenditure (Constant Prices USD billion)



RE-Revised Estimate; PE-Projected Estimate; AE-Advance Estimate

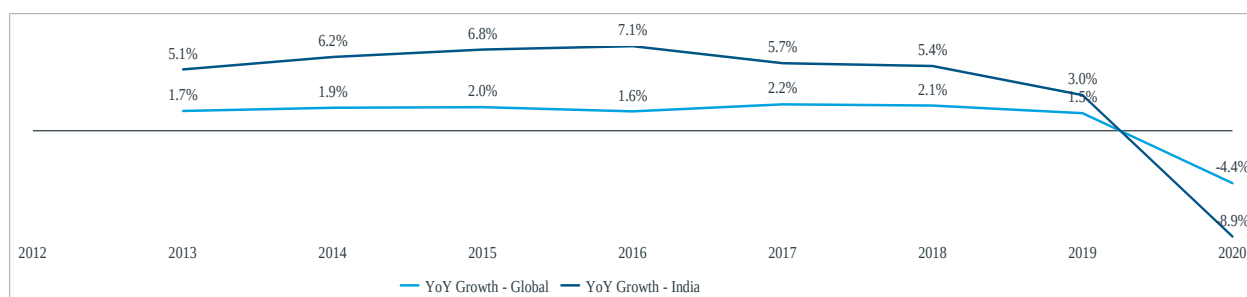
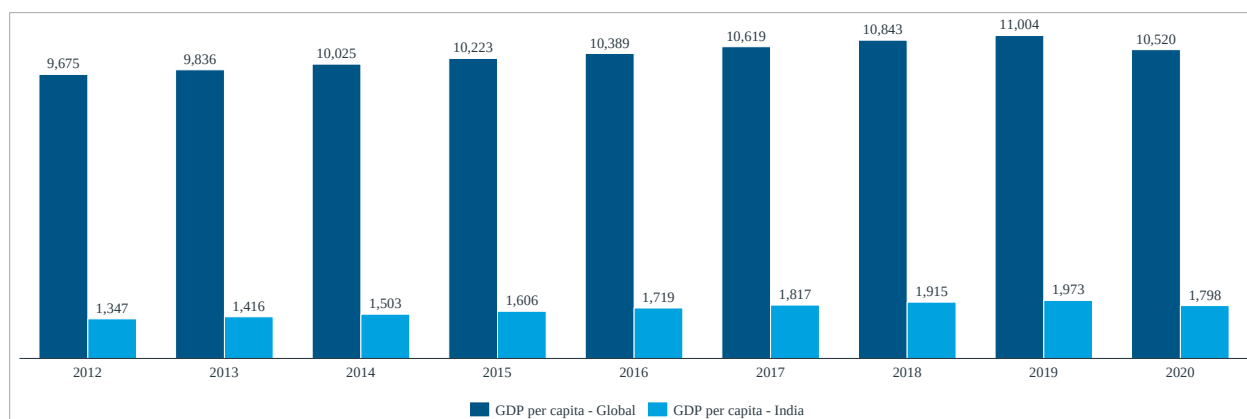
Source: Ministry of Statistics and Programme Implementation

Note: 2011-12 series PFCE data in ₹ converted to USD using exchange rate of 1 USD = 75 ₹ for FY12 to FY21

Review of GDP Per Capita

Global GDP per capita grew at 1.9% CAGR over CY12-19, as per World Bank data. Meanwhile, India's corresponding figures clocked approximately 3 times faster CAGR at 5.6%, during the same period. In CY21, global GDP per capita dropped ~4% YoY due to the impact of COVID-19, while India witnessed a ~9% decline. India's GDP per capita is expected to bounce back once the economy gets on track post COVID-19.

Global and Indian per capita GDP Growth at constant 2015 USD



Source: World Bank

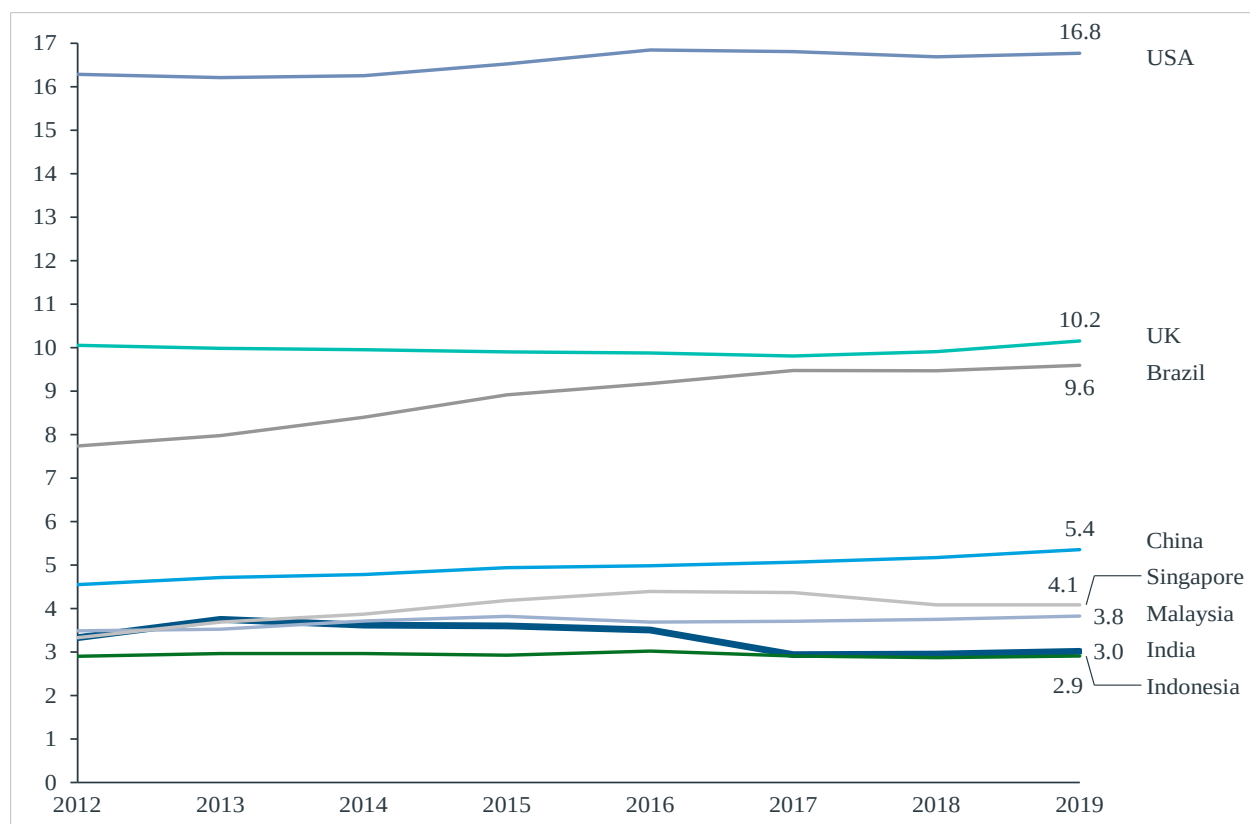
Note: GDP per capita for CY12 to CY20 at constant 2015 USD; YoY growth in GDP per capita of India compared with global numbers

Healthcare Indicators

Healthcare Expenditure as % of GDP

At around 3.01% in CY19, the proportion of GDP allocated to spending on healthcare in India is less than half the OECD average, and is lower than figures in other BRICS economies (Brazil, Russia, China, and South Africa). India's current healthcare expenditure (CHE) is comparable to peers like Indonesia, Singapore, and Malaysia, while Brazil has increased its CHE to 9.6% in CY19 from 7.7% in CY12. The low healthcare expenditure in India is primarily due to under-penetration of healthcare services and lower consumer spending on healthcare. The government's contribution to national health expenditure stands at 1.3% of GDP and medium-term health policy goals envisage that public healthcare spending will rise to 2.5% of GDP by CY25. Moreover, a major new injection of funds to support COVID-19 preparedness initiatives was announced in July 2021.

CHE as % of GDP



Source: WHO

Note: Healthcare expenditure as % of GDP for CY12 to CY19

Country	2012	2013	2014	2015	2016	2017	2018	2019
India	3.3%	3.8%	3.6%	3.6%	3.5%	2.9%	3.0%	3.0%
USA	16.3%	16.2%	16.3%	16.5%	16.8%	16.8%	16.7%	16.8%
UK	10.1%	10.0%	10.0%	9.9%	9.9%	9.8%	9.9%	10.2%
Brazil	7.7%	8.0%	8.4%	8.9%	9.2%	9.5%	9.5%	9.6%
China	4.6%	4.7%	4.8%	4.9%	5.0%	5.1%	5.2%	5.4%
Singapore	3.3%	3.7%	3.9%	4.2%	4.4%	4.4%	4.1%	4.1%
Malaysia	3.5%	3.5%	3.7%	3.8%	3.7%	3.7%	3.8%	3.8%
Indonesia	2.9%	3.0%	3.0%	2.9%	3.0%	2.9%	2.9%	2.9%

Source: WHO

CHE (in USD billion)

Countries	2014	2015	2016	2017	2018	2019
India	71	76	80	71	76	81
USA	2,876	3,014	3,125	3,190	3,263	3,349
United Kingdom	287	293	299	303	311	324
Brazil	157	161	160	167	170	175
China	494	546	589	640	697	765
Singapore	12	13	14	15	14	14
Malaysia	11	12	12	12	13	14
Indonesia	24	25	27	28	29	30

Source: WHO, World Bank

Note: Calculated CHE in USD billion from CHE as % of GDP data from WHO and GDP data from World Bank for CY14-19

Drivers influencing healthcare expenditure in India

- **Population growth:** The population of India is expected to increase from ~121 crores to ~152 crores during the period CY11-36 – an increase of 25% in 25 years, with the average age expected to be ~35 years in CY36 as compared to ~25 years in CY11. Of the total population increase of ~31 crores between CY11 and CY36, the share of 15-59 years age-group in this total increase is ~82%.
- **Government Initiatives:** Government has come up with programs and schemes like Ayushman Bharat, Production-Linked Incentive (PLI) scheme and subsidised medicines to address challenges in different areas of the healthcare sector.
 - Ayushman Bharat aims at providing free access to a comprehensive range of primary care services and establishing a new health insurance scheme to provide subsidized hospital care.
 - With less than 100 Jan Aushadhi stores operational in 2014, the current government's support for the initiative led to the numbers rise to 7,800 in June 2021. The range of drugs dispensed by Jan Aushadhi outlets has also increased to 1,250.
- Public health expenditure has risen rapidly over the past decade, to reach 1.3% of GDP, and medium-term health policy goals envisage that public healthcare spending will rise to 2.5% of GDP by CY25.

Health Insurance: As per Insurance Regulatory and Development Authority (IRDA) data, over 500 million people (~38% of Indian population) were covered under some form of health insurance policy as of March 2020. Of the total 500 million people, 73% were beneficiaries of state or national government programs, while around 140 million (~10% of the population) had private cover. The private sector has traditionally been dominated by group (often employment-related) plans, which account for over two-thirds of cover in that segment. (Source: IRDA)

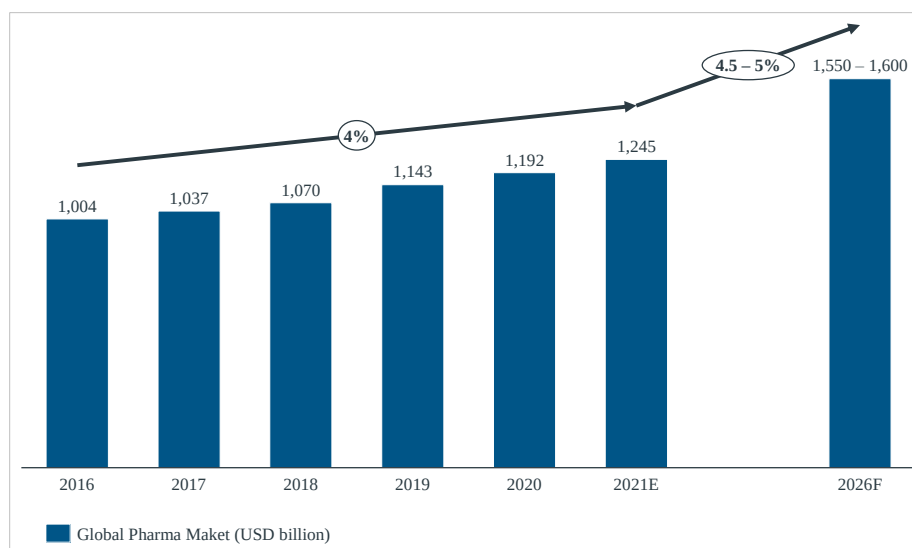
- Public schemes have been the main driver of recent increases in the number of people with health insurance cover, which has risen by more than 60% since CY15.

Overview of Global Pharmaceutical Market

Overall market size and estimated growth rate

The global formulation market was estimated at USD 1,245 billion in CY21 and is expected to grow at a CAGR of 4.5-5% to reach USD 1,550-1,600 billion by CY26. Growth in the market is largely attributed to the launch of novel therapies, expansion of existing therapies, growing demand for branded generic medicines, biologics, and accelerated demand for effective treatments and drugs. Improving standards of living, together with demographic and epidemiological trends, will drive demand for pharmaceuticals in all Pharmerging markets due to increase in aging population and a rapid rise in the incidence of non-communicable diseases (NCDs). The burden of NCDs continues to increase globally especially in developing countries, with different risk factors contributing to the surge. This is a result of rapid urbanisation, sedentary lifestyle, and dietary habits. Low-and middle-income countries (LMICs) are likely to suffer a greater burden of these diseases. The global pharmaceutical industry is also rapidly transforming across all value chains from manufacturers, providers, and patients.

Global Pharma Market (USD billion)



Source: IQVIA MIDAS, IQVIA Market Prognosis - October 2021, IQVIA Analysis

Note: Actual global pharma market for CY16 to CY20

Key growth drivers for global market

Increase in ageing population

As per United Nations, the global number of people with age 65 years and above are expected to double by CY50, increasing from 703 million in CY19 to 1.5 billion in CY50. Aged (65 years and above) population is witnessing a faster growth rate compared to younger age groups globally. Rapid ageing of the population is increasing the prevalence of chronic illnesses and driving pharmaceutical consumption. (Source: UN Report – World Population Prospects 2019)

Growing prevalence of chronic diseases

Incidence and prevalence of chronic diseases are rising across the globe is mainly driven by growing ageing population, rapid urbanization, and adoption of sedentary lifestyles. These changes are leading to a significant increase in the number of cases of hypertension, diabetes, and obesity which in turn can lead to cardiovascular diseases. Other chronic disease like cancer and chronic respiratory diseases are also on rise.

As per WHO, as of CY20, deaths caused by chronic diseases are 41 million annually, equivalent to ~70% of all deaths globally. Cardiovascular diseases account for the most chronic disease deaths, or ~18 million people annually, followed by cancers (~9 million), respiratory diseases (~4 million), and diabetes (~1.5 million). These four groups of diseases together account for ~80% of all chronic disease deaths.

Strong growth of global generic market

In the wake of global efforts on reducing the overall costs of healthcare, aggravated by a COVID-19-induced economic downturn, weakening purchasing power and financial pressures, there has been increased use of generics across the globe. Global governments are adopting pro-generic strategies to increase their uptake, thus offsetting rising expenses. Most developed regions like Europe, US, and Japan are also promoting use of generics to achieve savings in healthcare systems. On the other hand, less developed regions have been advocating for generics to not only cut rising pharmaceutical expenditure but to also improve access to essential drugs.

- In the United States, the Hatch-Waxman Act (which provided the legal and economic framework for generics) continues to deliver its results. Several factors [faster approval of ANDAs by FDA, continued roll-out of the Affordable Care Act (colloquially known as “Obamacare”)] have bode well for continued volume expansion of generics

- In Japan, the share of generics will continue to rise as Japanese government continues to pursue a combination of incentives and penalties to medical practitioners for prescribing generic products
- Generics are expected to add a significant portion of Europe's pharma market growth, given (a) several patent expiries over the next 5 years and (b) payors (insurance companies / NHS) shaping the landscape in favour of generics
- Emerging countries (ranging from Brazil to Turkey to Algeria to Vietnam) have announced several policy initiatives to push penetration of generics medicines

Expansion of health insurance coverage

Rollout of basic health insurance coverage in some countries across the globe is expected to make progress, while benefits will be broadened in others, and private health insurance is also anticipated to grow. For example, in India, the central government's Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) health insurance scheme, will drive healthcare access for patients and the government also launched a campaign under AB-PMJAY to facilitate door-to-door beneficiary mobilization in February 2021.

Key constraints for global market

Developed Markets

- **COVID-19 pandemic impact:** Uncertainty around further mutations of the virus may potentially cause disruptions in supply chain across most of the developed markets. . A slower patient backlog recovery, curtailed detailing and disrupted promotional activity will defer or slow new product uptake which has been one of the three key levers of growth in the pharma markets across the last few decades (Price, Volume and New Introductions being the three key levers).
- **Rational drug use and prescribing controls:** Further measures are expected to be implemented for controlling drug expenditure costs due to budgetary constraints caused by the pandemic. Several governments in developed markets are stepping up efforts in this direction – such as setting targets along with financial incentives for providers and increasing focus on standardisation in prescribing processes to control drug expenditure costs.

Pharmerging Markets

- **COVID-19 pandemic impact:** The COVID-19 pandemic had a major impact on healthcare where it led to slowdown or contraction in pharmaceutical sales growth in several pharmerging markets in CY20. This was on account of disruption in diagnosis and treatments due to lockdown measures and movement restrictions, and as hospitals prioritized the treatment of COVID-19 patients. In India, demand continued to vary significantly by therapeutic area during CY2021, with declines in demand for some of the non-COVID fields. The Indian Pharmaceutical Market has since witnessed strong growth and recovery in the first half of Fiscal 2022.
- **Pricing pressures:** Pharmaceutical prices will remain under pressure as countries seek to expand patient access to affordable drugs while keeping budgets under control.

Market segmentation – Region

Developed Markets

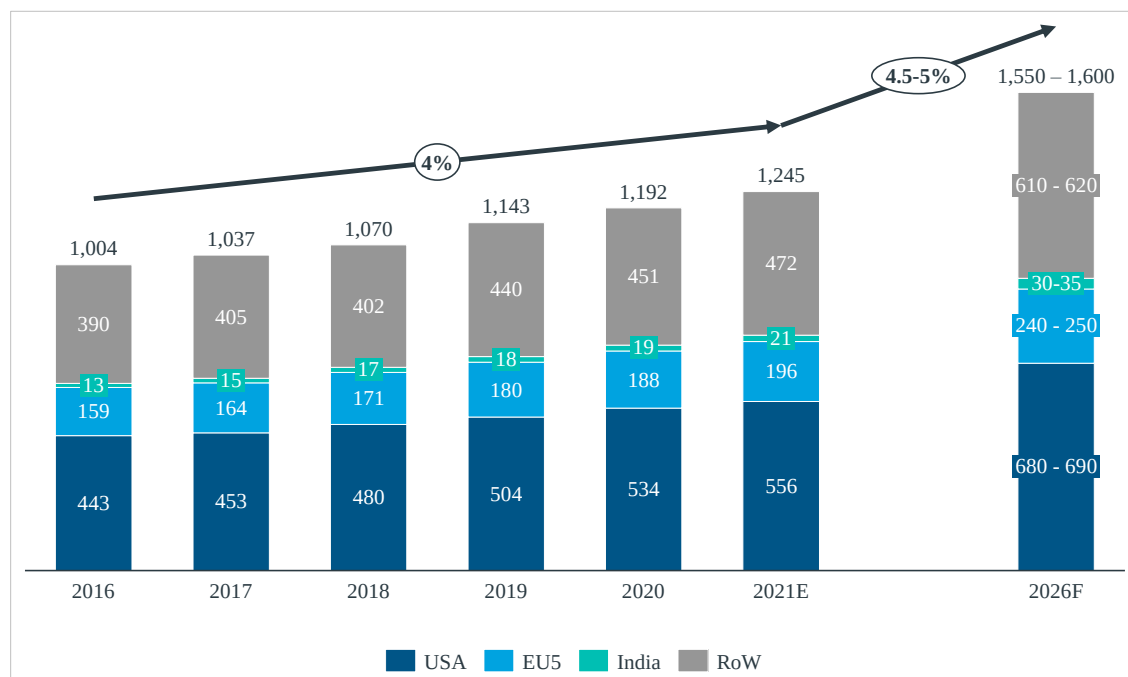
- US formed 44.8% of the global pharmaceuticals market in CY21. The US is expected to remain the main contributor to growth in the major developed markets group and is expected to grow at a CAGR of 4-4.5% over CY20-26. (Source: IQVIA MIDAS, IQVIA Market Prognosis - October 2021, IQVIA Analysis)

- Japan formed 6.5% of the global pharmaceuticals market in CY21. Japan is ranked as the 2nd largest amongst the major developed markets, however it is expected to post a CAGR of 0 - (-0.5)% over CY20-26. (Source: IQVIA MIDAS, IQVIA Market Prognosis - October 2021, IQVIA Analysis)
- Germany formed 4.5% of the global pharmaceuticals market in CY21. Germany is expected to expand at a CAGR of 5-6% over CY20-26. (Source: IQVIA MIDAS, IQVIA Market Prognosis - October 2021, IQVIA Analysis)
- France formed 3.4% of the global pharmaceuticals market in CY21. France is expected to grow at a CAGR of 3-4% over CY20-26. (Source: IQVIA MIDAS, IQVIA Market Prognosis - October 2021, IQVIA Analysis)
- UK formed 2.6% of the global pharmaceuticals market in CY21. UK is expected to grow at a CAGR of 5-6% over CY20-26. (Source: IQVIA MIDAS, IQVIA Market Prognosis - October 2021, IQVIA Analysis)

Pharmerging Markets

- China currently forms 9.2% of the global pharmaceuticals market. China is the largest of the 17 pharmerging markets and is expected to grow at a CAGR of 4-5% over CY20-26. (Source: IQVIA MIDAS, IQVIA Market Prognosis - October 2021, IQVIA Analysis)
- The three tier 2 pharmerging markets, Brazil, India, and Russia currently form 1.7%, 1.6% and 1.4% of the global pharmaceuticals market, respectively.
- Indian pharma market is expected to grow at 10-11% CAGR over CY20-26, which is one of the fastest growth rates among the pharmerging markets. (Source: IQVIA MIDAS, IQVIA Market Prognosis - October 2021, IQVIA Analysis)
- Brazil and Russia are forecast to grow at a CAGR of 9-10% over CY20-26. (Source: IQVIA MIDAS, IQVIA Market Prognosis - October 2021, IQVIA Analysis)

Global Pharma Market – By Region (USD billion)



Source: IQVIA MIDAS, IQVIA Market Prognosis - October 2021, IQVIA Analysis

Note: Region wise contribution to global pharma market in % for CY16 to CY20; forecast till 2026 is based on CY20 numbers

Global Pharma Market – Market Share By Region (%)

Region	2016	2017	2018	2019	2020	2021E	2026F	CAGR
								2020-26F
USA	44%	44%	45%	44%	45%	45%	40-45%	4-5%
EU5	16%	16%	16%	16%	16%	16%	15-20%	4-5%
India	1%	1%	2%	2%	2%	2%	2-2.5%	10-11%
RoW	40%	40%	40%	41%	40%	40%	40-45%	5-6%

Market segmentation – Therapy Area

The seven key therapy areas – Oncology (antineoplasts and immunomodulating agents), Central Nervous System (CNS), Anti-infectives, Anti-Diabetic, Cardiovascular (CVS), Alimentary tract and metabolism, and Respiratory disorders – accounted for 75% of the total formulations market in CY20 and are estimated to be ~73% of the total formulations market by CY26. The biggest contributors to the growth in the next five years are expected to be Oncology, Immunology, Anti-Diabetic, and Neurology – the growth being a result of continuous influx of innovative products, growing incidence and increasing adoption of sedentary lifestyle.

Potential upside – key therapy areas

Oncology

- Global Oncology market is the largest therapy market contributing to ~22% of the total formulations market in CY20. Between CY19 and CY20, Oncology therapy area grew at 11.3%, driven by the increasing cancer incidence worldwide. *(Source: IQVIA MIDAS)*
- The surge in innovation treatments in recent years, accompanied by a strong focus across health systems to increase early diagnosis and expand patient access to treatments, has resulted in global spending on Oncology drugs reaching USD 187 billion in CY21. Global Oncology sales are expected to grow at a rate of 6-7% through CY20-26 as new medicines are offset by losses of exclusivity. *(Source: IQVIA Report - The Global Use of Medicines 2022, IQVIA Therapy Forecaster, IQVIA Analysis)*
- The current Oncology pipeline is expected to add more than 100 new drugs in the next five years, which includes innovative treatment through cell therapy, RNA therapy, and Immuno-Oncology treatments – including those that are mutation-specific and thus tumor-agnostic. *(Source: IQVIA Report - The Global Use of Medicines 2022)*

Central Nervous System (CNS)

- CNS therapy area was the second largest therapy area with a market share of ~13% in 2020, which witnessed a slow growth rate of ~1% over CY19-20. According to WHO, Alzheimer disease has led to ~1.2 million adult-onset brain disorders while there are over 60,000 cases of Parkinson's disease detected in the US annually.
- New therapies contribute to rapid acceleration of neurology markets, including greater use of novel migraine therapies, potential treatments for rare diseases, and the potential for therapies for Alzheimer's and Parkinson's.
- CNS is expected to grow at 0-1% CAGR over CY20-26, including strong growth from migraine and Alzheimer's therapies. *(Source: IQVIA Therapy Forecaster, IQVIA Analysis)*
- Migraine treatments have seen significant shifts with the introduction of CGRP inhibitors and these are expected to continue to drive growth through the forecast period. *(Source: IQVIA Report - The Global Use of Medicines 2022)*

- Besides focusing on diseases that affect larger populations (such as migraine, depression, and anxiety), companies are also focusing on orphan diseases within neurology. (Source: IQVIA Report - The Global Use of Medicines 2022)

Cardiovascular

- Global Cardiovascular therapy market was estimated at USD 85 billion in CY21 (Source: IQVIA MIDAS, IQVIA Therapy Forecaster)
- Global Cardiovascular sales is expected to grow at 1-2% over CY20-26. (Source: IQVIA Therapy Forecaster, IQVIA Analysis)
- Cardiovascular market is expected to see as many as 25 new launches by CY23 however, impending 137 Losses of Exclusivity (LoEs) between CY19 and CY28 will result in increased usage of generics, thus offsetting value growth.
- Generic usage in Cardiovascular is expected to reach 44% by CY28. (Source: IQVIA Forecast Link)

Anti-Infectives

- Anti-Infectives captured ~10% of the market share in CY20. Anti-infectives witnessed a decline about 4.3% between CY19 and CY20. (Source: IQVIA MIDAS)
- Anti-Infectives are expected to grow at a CAGR of 3-4% over CY20-26. (Source: IQVIA Therapy Forecaster, IQVIA Analysis)

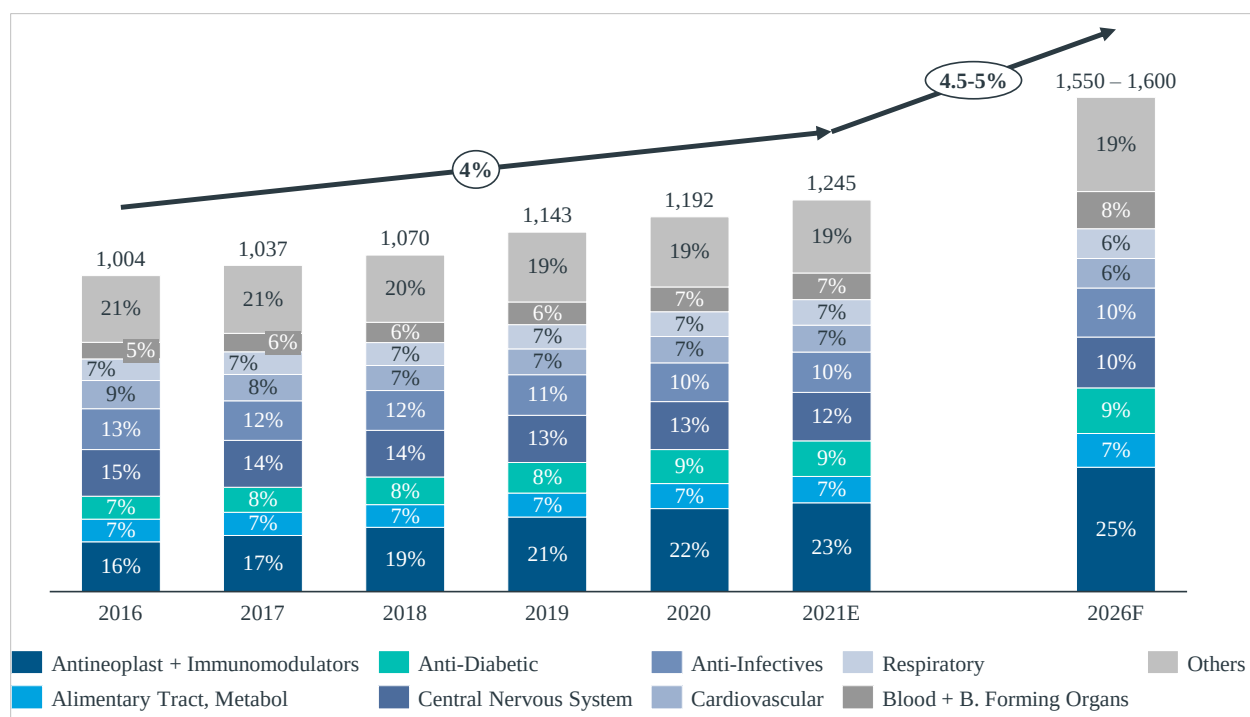
Respiratory

- Respiratory segment had a moderate growth rate of about 3.6% over CY19-20, primarily due to COVID-19 lockdown and supply chain disruptions. (Source: IQVIA MIDAS)
- In CY20 and CY21, patients' exposure was limited due to pandemic precautions which resulted in far below normal seasonal flu and other Respiratory viruses.
- Global Respiratory sales is expected to grow at 2-3% over CY20-26. (Source: IQVIA Therapy Forecaster, IQVIA Analysis)

Anti-Diabetic

- Anti-Diabetic therapy area is expected to witness growth in the coming years, driven by increasing incidence of obesity, sedentary lifestyle, and rising geriatric population. As per the International Diabetes Federation (IDF), prevalence of diabetes is expected to reach 578 million by CY30 from 463 million in CY19.
- With sales of USD 105-110 billion by CY26, Anti-Diabetic is expected to be the fourth largest therapy area globally, growing at a CAGR of 4-5% over CY20-26. (Source: IQVIA Therapy Forecaster, IQVIA Analysis)
- Diabetes treatment related spending in developed markets reflects both the consistent use of established therapies as patients' type 2 disease progresses, and the adoption of novel therapies later in the treatment pathway. (Source: IQVIA Report - The Global Use of Medicines 2022)

Global Pharma Market – By Therapy Area (USD billion)



Source: IQVIA MIDAS, IQVIA Therapy Forecaster, IQVIA Analysis

Note: Therapy wise contribution to global pharma market in % for CY16 to CY20, forecast till CY26

Therapy Area	2016	2017	2018	2019	2020	2026F	Sales CAGR 2020-26F
Antineoplast + Immunomodulators	158	179	204	237	264	260 - 270	6% - 7%
Alimentary Tract, Metabol	72	74	72	77	80	75 - 80	4% - 5%
Anti-Diabetic	73	80	88	97	108	105 - 110	4% - 5%
Central Nervous System	148	149	148	151	152	150 - 155	0% - 1%
Anti-Infectives	130	126	126	129	124	120 - 125	3% - 4%
Cardiovascular	89	84	80	82	83	80 - 85	1% - 2%
Respiratory	68	72	73	76	79	75 - 80	2% - 3%
Blood + B. Forming Organs	53	59	64	72	79	75 - 80	6% - 7%
Others	212	216	214	222	223	600 - 610	3% - 4%
Total	1,004	1,037	1,070	1,143	1,192	1,550 - 1,600	4.5% - 5%

Source: IQVIA MIDAS, IQVIA Therapy Forecaster, IQVIA Analysis

Note: Therapy wise expected growth rate for CY20-26, forecast till CY26

While not expressly captured as a separate category in the IQVIA therapies, covered in the ensuing pages are select segments of importance for the purposes of this research.

- Metered dose inhalers
- Peptides

Overview of Metered Dose Inhaler (MDI) market

MDI drug delivery is an important part of the management of respiratory diseases. MDIs are a popular mode of aerosol delivery and are the most common inhalers used for asthmatic conditions. The major advantage of drug delivery through inhalers is the fast onset of therapeutic action as the drug is delivered to the target site of action. MDIs are used to treat various respiratory diseases such as asthma, Chronic Obstructive Pulmonary Disease (COPD), and cystic fibrosis.

Albuterol

- Albuterol is a quick-relief drug that is used to prevent and treat wheezing and shortness of breath caused by breathing problems such as asthma, COPD. It is also used to prevent asthma brought on by exercise.
- Global market for Albuterol and combinations in Respiratory therapy area stands at USD 4.3 billion, of which MDI captures USD 3.6 billion (84%) as of Fiscal 2021; Albuterol MDI respiratory market has grown at 1% CAGR over Fiscal 2016-20.
- Albuterol Sulfate MDI market is expected to register growth owing to a combination of factors which include increasing prevalence of Respiratory diseases such as COPD and asthma.
- According to WHO, globally, the percentage of individuals aged 60 years and above is likely to increase twofold from 12% in 2015 to 22% by 2050 which could add to the COPD patient pool. There are several studies which have indicated that prevalence of COPD is relatively higher in people over the age of 60 years compared to younger age groups. (Source: National Library of Medicine, US).
- North America is expected to continue to dominate the Albuterol Sulfate MDI market due to rising awareness and costly asthma management. Asia Pacific is expected to account for the second largest share of the Albuterol Sulfate MDI market due to the high incidence of asthma in countries such as India and China. China is anticipated to account for the largest share of the Asia Pacific market due to factors such as rapidly expanding geriatric population, high levels of pollution, and improvement in diagnosis rate.

Fluticasone

- Fluticasone is a corticosteroid medication used to treat symptoms related to an overactive immune response from various conditions like allergies and asthma.
- Global market for Fluticasone and combinations in respiratory therapy area stands at USD 15.1 billion, of which MDI captures USD 4.7 billion (31%) as of Fiscal 2021; Fluticasone MDI respiratory market has grown at 4.6% CAGR over Fiscal 2016-20.
- North America is expected to dominate the inhaler corticosteroid device market. Increasing incidences of life-threatening illness such as COPD, asthma and many more are some of the factors which are responsible for the growth of the market. The European market is expected to be the second largest inhaler corticosteroid device market. The market growth in this region can be attributed to government funding and support of the healthcare sector coupled with increasing research and development.
- Asia-Pacific is expected to be the fastest-growing market owing to the increasing prevalence of asthma, rising investments in healthcare, increasing geriatric population, and expansions by market players in the region. Asia-Pacific is giving a strong competition in the inhaler corticosteroid device market by producing a cost-effective treatment that is high in demand in local as well as in the global market.

Overview of Peptides market

Peptides are witnessing high demand due to their demonstrated pharmacological value. They have displayed high potential in the treatment of a wide range of metabolic and oncological disorders. Currently peptides are being used in three key therapy areas - namely Oncology, Anti-Diabetic, and Obesity. Even though there have been improvements in synthesis and purification of peptides, large scale manufacturing continues to be a challenge. On the technical front, challenges arise due to reduced yield and purity in synthesis of complex and long chain macromolecules.

Manufacturing of peptides has higher entry barriers (relative to other pharmaceutical products), as manufacturing of peptides requires:

- having skilled manpower due to the manufacturing complexity involved
- reliable API supply contracts to ensure dedicated raw material supply and avoid API shortage
- having a dedicated facility given the high potency nature and requirements of ensuring a sterile manufacturing unit

Growth drivers for global peptide market

- Peptides have been generating demand in antibiotics and vaccines for applications in Respiratory and renal diseases. Major factors driving the growth for peptide market are increasing prevalence of cancer and metabolic disorders like diabetes and obesity, rising investments in research and development of novel drugs, and technological advancement in peptide therapeutics.
- Application in cancer treatment is expected to attract highest growth given the prospects of peptides in targeted drug delivery owing to high specificity, discernment, small sizes, ease of modification, and high biocompatibility.
- In specialty generic market, there has been increasing adoption of self-administered and convenient drug delivery systems such as pre-filled pens, pre-filled syringes, auto-injectors, etc. This rise in demand of modern drug delivery systems is expected to drive adoption of peptides.

Linaclotide

- Linaclotide was approved by the FDA for the treatment of chronic idiopathic constipation and irritable bowel syndrome (IBS) with constipation in adults.
- Linaclotide had global sales of USD 2.1 billion in Fiscal 2021, having grown at 27.1% CAGR over Fiscal 2016-20.
- Factors such as increasing prevalence of IBS diseases and product innovations are driving the market growth.
- Linaclotide is currently not marketed in India.

Semaglutide

- Semaglutide is a medication used for treating type 2 diabetes. The medicine acts like a natural hormone, glucagon-like peptide-1 (GLP-1), which stimulates the insulin secretion in body for regulation of blood glucose level.
- A non-insulin medication, GLP-1 receptor agonists treat type 2 diabetes by lowering blood glucose levels and aiding in weight loss. They can also have positive effects on blood pressure, cholesterol levels, and beta-cell function.
- Semaglutide was launched in Fiscal 2018 and had global sales of USD 7.4 billion in Fiscal 2021, having grown at 110.4% over the previous year.

Liraglutide

- Liraglutide is an Anti-Diabetic. It is a member of a new class of Anti-Diabetic medications called GLP-1 analogues. These mirror the effects of naturally produced GLP-1, which involves glucose-dependent stimulation of insulin secretion, suppression of glucagon secretion, reduction of appetite, and delay of food absorption.
- The drug has been approved as an auxiliary treatment to diet and exercise to enhance glycaemic control in adults suffering from type 2 diabetes. The approval enables the drug to be used as a monotherapy, as a second-

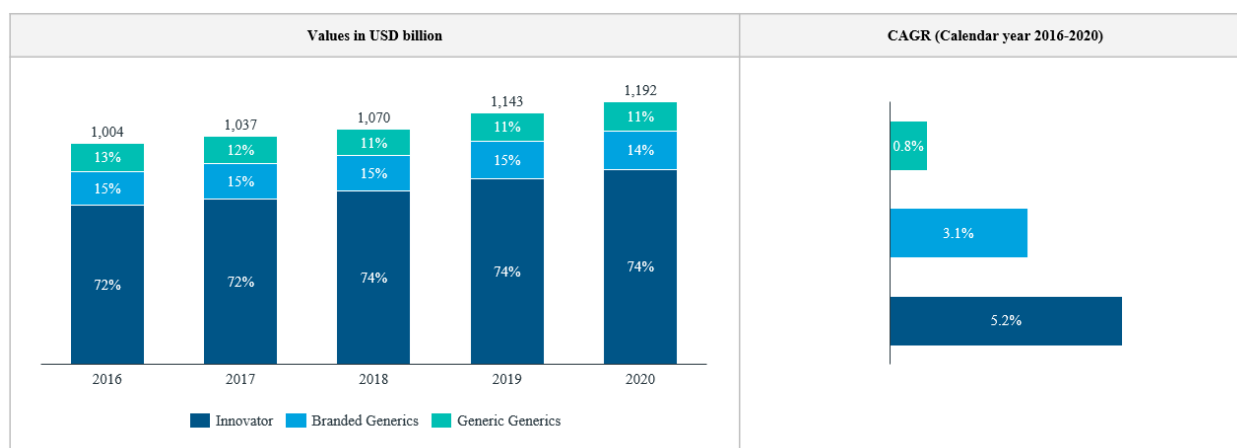
line treatment and in combination with other oral medications prescribed for diabetes and thus is attributed to driving the market.

- Global market for Liraglutide was valued at USD 6.6 billion in Fiscal 2021, having grown at 18% CAGR over Fiscal 2016-20.

Market segmentation – Innovators vs Branded Generics

Patented drugs continue to dominate the global pharma market in value terms. Value share of innovators and branded generics has remained in the range of 72-74% and 14-15%, respectively, over CY16-20. Furthermore, 290 molecules in the US are set to lose exclusivity over 2022-2026, with a market size of USD 188 billion in 2020, while 313 molecules in EU5 are set to lose exclusivity over the same period, with a market size of USD 38 billion in 2020. Major therapies undergoing loss of exclusivity over 2022-2026 are Oncology with 104 molecules estimated at USD 81.7 billion in CY20, followed by CNS (65 molecules estimated at USD 26.9 billion in CY20) and Alimentary Tract and Metabol (55 molecules estimated at USD 37.3 billion in CY20).

Global Pharma Market – Innovators vs Branded Generics vs Generic Generics (USD billion)



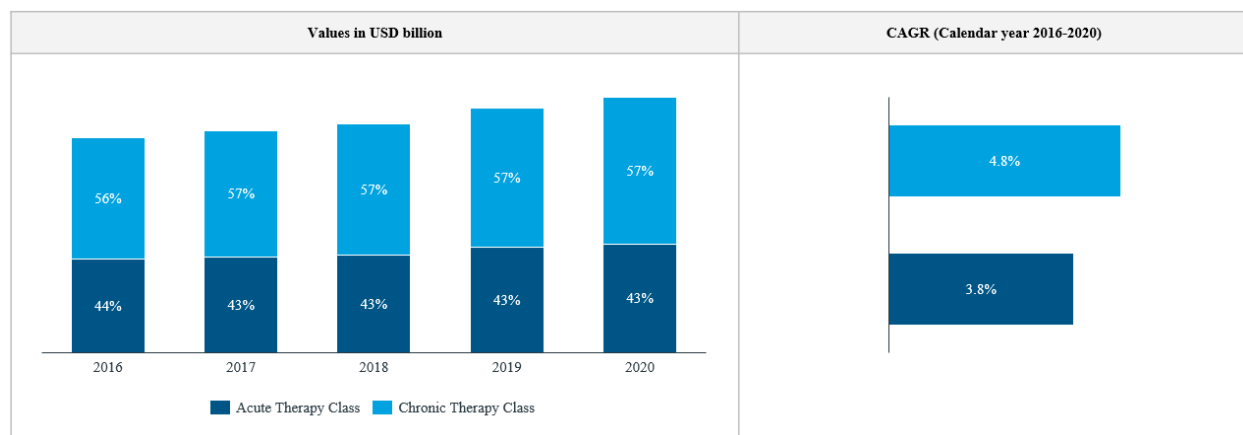
Source: IQVIA

Note: Contribution of Innovator, branded generics and generic generics in % to global pharma market for CY16 to CY20

Market segmentation – Acute vs Chronic

Value shares of acute vs chronic have remained constant over the last five years. Chronic accounts for 57% value share while acute accounts for 43% value share in CY20. Chronic diseases are on the rise globally, driven by factors that include rapid urbanization, globalization of unhealthy lifestyles and increasing ageing population. Unhealthy diet and a lack of physical activity leads to raised blood pressure, increased blood glucose, elevated blood lipids and obesity. These factors in turn can lead to cardiovascular disease, the leading chronic disease.

Global Pharma Market – Acute vs Chronic



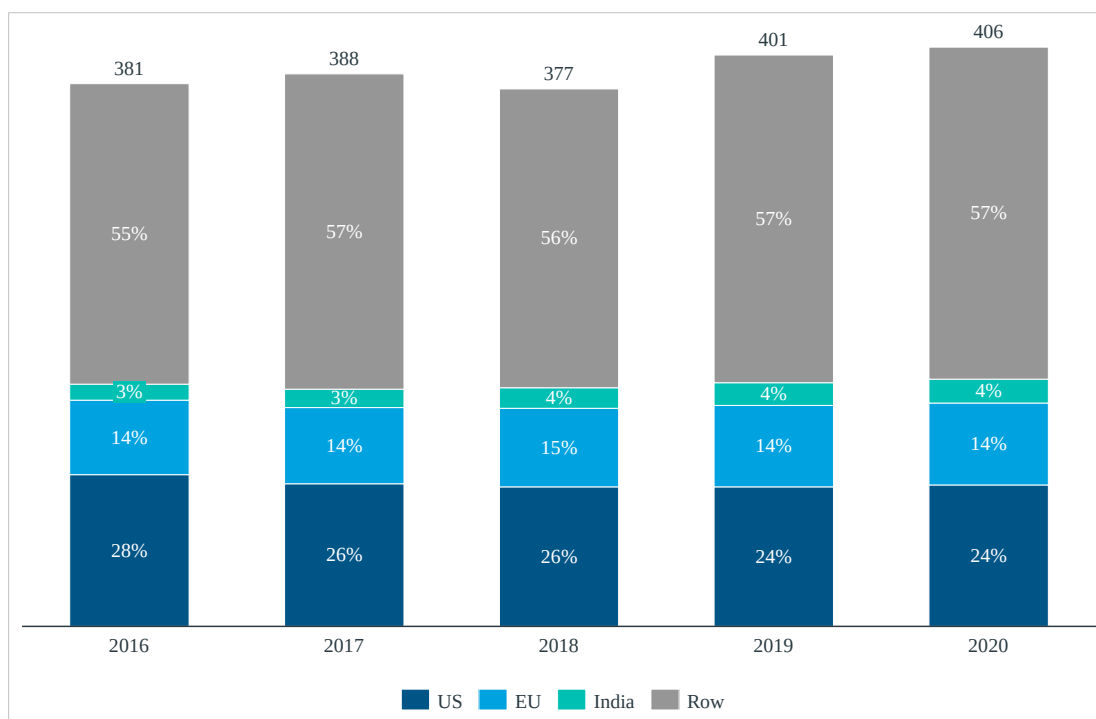
Source: IQVIA

Note: Contribution of Acute and Chronic therapies in % to global pharma market for CY16 to CY20

Global generics market

Global generics market has grown at 2.1% CAGR over CY16-20 in terms of value to reach USD 305 billion. In terms of volume, the market grew at 2.8% CAGR over the same period. US and EU are the top 2 generics markets with market sizes of USD 83 billion and USD 69 billion respectively. India registered a CAGR of ~10% over CY16-20.

Region wise distribution of global generics market (USD billion)



Source: IQVIA

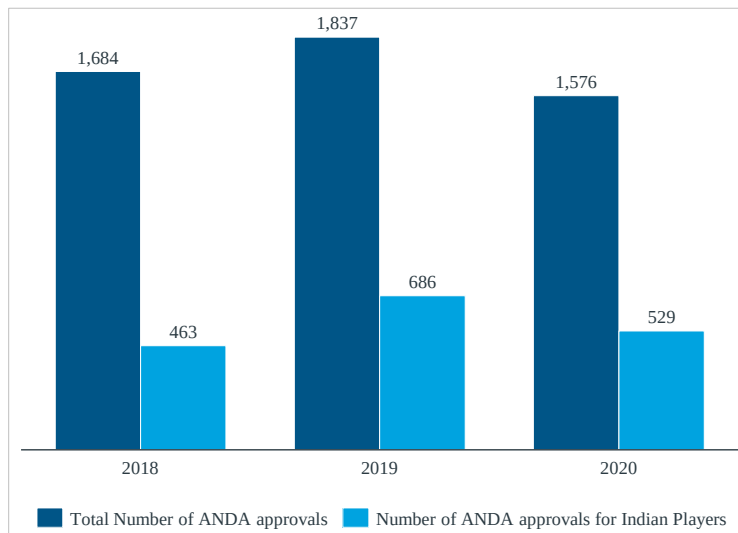
Note: Region wise contribution to global generics market in % for CY16 to CY20

In developed markets, governments adopt pro-generic and biosimilar strategies to increase their uptake, which helps to offset rising costs of healthcare. Moreover, in pharmerging countries, the COVID-19-induced economic downturn, weakening purchasing power and supply availabilities led to an increased use of generics.

Review of ANDA approvals

- Out of all the ANDA approvals by the US Food and Drug Administration (USFDA) in CY20, 34% of the ANDAs were filed by companies incorporated in India.

Number of ANDA approvals



Source: USFDA

Note: Count of ANDA approvals from Orange book CY18 to CY20

Review of Pending to Approved ANDA Ratio

Below is a table highlighting the pending to approved ANDA ratio for some key companies in the domestic formulations market.

Cumulative number of filed, approved, pending ANDAs

Company	Filed	Approved	Pending	Pending to Approved ANDA ratio
Macleods Pharma	181	79	102	1.29
Peer 1	595	501	94	0.19
Peer 2	256	166	90	0.54
Peer 3	157	102	55	0.54
Peer 4	437	288	149	0.52
Peer 5	157	97	60	0.62
Peer 6	412	306	106	0.35
Peer 7	299	207	92	0.44
Peer 8	46	18	28	1.56

Source: Investor presentations of listed companies; For Macleods, the data is based on the investor presentation made available by Macleods

Note: Tentative approvals have been included as pending

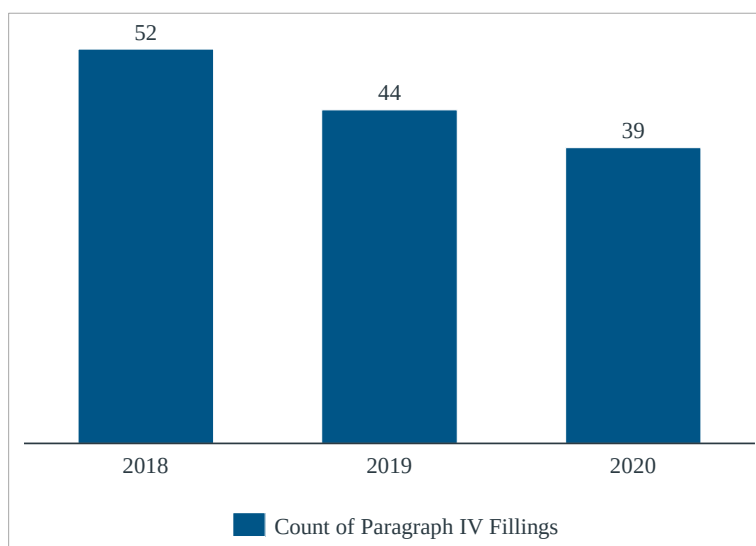
Review of Paragraph IV Filings

- Generic companies can obtain FDA approval for their product even before the expiry of the Orange Book listed patent by filing an ANDA application with a paragraph IV certification stating that the listed patent is invalid, unenforceable and/or there is no infringement. A paragraph IV filing provides the financial incentive

for market entry of generics. The NDA holder is notified of the paragraph IV certification by the ANDA applicant which can trigger litigation and a 30 month stay of the ANDA application.

- Number of para IV filings has declined over the past three years. There were 39 para IV filings in CY20 as compared to 52 in CY18.

Number of Paragraph IV Filings



Source: USFDA

Note: Count of para IV filings from USFDA database

Review of Global Access Market across HIV, Tuberculosis (TB), and Malaria

HIV

- The total population for HIV treatment is estimated to increase from 23.5 million in CY19 to 31.7 million by CY25, at a rate of 5.1%. However, resources needed for HIV testing and treatment is estimated to increase at a lower rate of 2.6% from USD 7.6 billion in CY19 to USD 8.8 billion in CY25. This is primarily due to the estimated decline in the cost of Antiretroviral Therapy (ART).
- Over the recent years, ART drugs market has been witnessing growth on account of several factors:
 - Growing prevalence of HIV AIDS, growing ART coverage rate, and increase in availability of novel drugs with better efficacy
 - Growing medical spending and declining cost of treatment
 - Government push in various countries like Botswana, Brazil, Ethiopia, Senegal, Zambia, etc.
 - Rise in favourable programmes for diagnosis and treatment facilities for the unmet patient population
- Since CY19, WHO has recommended the use of Dolutegravir (DTG) as the preferred first-and second-line of treatment for all population groups. It is more effective, easier to take, and has fewer side effects than other drugs currently in use. Dolutegravir also has a high genetic barrier to developing drug resistance, thus supporting its long-term durability and effectiveness.
- As per WHO, the rollout of DTG-based regimens continues to scale up and large increase are anticipated over the next few years. In CY19, 29% of 100,000 adults in Generic-accessible Low- and middle-income countries (GA LMICs) were estimated to be on DTG-based regimens, with the number expected to increase to almost 90% by CY22.

- Tender market serves 80% of the global HIV patient pool. Tender market being a low margin business makes vertical integration an important aspect to smoothen the supply and to ensure better cost position.

Estimated Resource Needs for HIV by 2025 (in USD billion)

Programme	Estimated Resource Expenditures, CY19	Estimated Resource Needs, CY25
Primary prevention	5.25	9.48
Testing and treatment	8.35	9.85
Prevention of mother-to-child HIV transmission	0.26	0.20
Social enablers	1.32	3.08
Above site level	2.49	3.60
Programme management	1.93	2.78
Total	19.59	28.99

Source: UNAIDS

Note: Estimated expenditure on global HIV programmes in CY19 and estimated requirement in CY25

Tuberculosis (TB)

- A total of 1.5 million people died from TB in CY20 (including 214,000 people with HIV). Globally, TB is the 13th leading cause of death and the second leading infectious killer after COVID-19 (above HIV/AIDS).
- In CY20, the 30 high TB burden countries accounted for 86% of new TB cases. India leads the count, followed by China, Indonesia, Philippines, Pakistan, Nigeria, Bangladesh, and South Africa.
- Globally, TB incidence is falling at about 2% per year and between CY15 and CY20, the cumulative reduction was 11%.
- It is estimated that by CY22, USD 13 billion will be needed annually for TB prevention, diagnosis, treatment and care to achieve the global target set at the UN high level-meeting in CY18.
- United Nations Sustainable Development Goals (SDGs) targets to end the TB epidemic by 2030. The End TB Strategy defines milestones (for CY20 and CY25) and targets (for CY30 and CY35) for reductions in TB cases and deaths.
 - The targets for CY30 are a 90% reduction in the number of TB deaths and an 80% reduction in the TB incidence rate (new cases per 100,000 population per year) compared with CY15.

Malaria

- According to the latest World Malaria Report, there were 241 million cases of malaria in CY20 compared to 227 million cases in CY19. The estimated number of malaria deaths stood at 627,000 in CY20 – an increase of 69,000 deaths over the previous year.
- The WHO African region carries a disproportionately high share of the global malaria burden. In CY20, the region was home to 95% of malaria cases and 96% of malaria deaths. Children under the age of 5 accounted for an estimated 80% of all malaria deaths in the region.
- The Global Technical Strategy (GTS) for malaria CY16-30, adopted by the World Health Assembly in May 2015, sets the estimates for funding required to achieve milestones for CY20, CY25 and CY30.
- According to GTS, to reach over 80% coverage of currently available interventions, the total annual resources needed were estimated at USD 6.8 billion in CY20, rising to USD 9.3 billion per year by CY25 and USD

10.3 billion per year by CY30. Additionally, funding of USD 8.5 billion is expected to be needed for research and development during the period CY21-30, representing an average annual investment of USD 851 million.

Analysis of WHO pre-qualified list of products across TB, Malaria & HIV categories

9 Indian companies feature in the list of top 10 companies for WHO pre-qualified products in HIV / Malaria / TB. Below is a list of the top 10 companies with the highest number of WHO pre-qualified products in HIV / Malaria / TB as of December 2021.

Top 10 companies by number of WHO pre-qualified products in HIV / Malaria / TB (As of December 2021)

Company Name	No. of WHO pre-qualified products				Grand Total	Country of Origin
	ARV	Malaria	Tuberculosis	Others		
Macleods Pharma	18	10	32	5	65	India
C1	24	2	6	16	48	India
C2	23	9	6	8	46	India
C3	18	3	21	0	42	India
C4		24		0	24	Other
C5	4		11	6	21	India
C6	11	4	1	2	18	India
C7	12		2	3	17	India
C8	12			0	12	India
C9	9			2	11	India

Source: WHO

Review of USFDA compliance trend for major Indian players

- The problems encountered by FDA's investigators in India are similar to those globally. This majorly includes drug quality assurance and device compliance. (*Source: USFDA*)
- India has 665 USFDA-approved manufacturing plants outside the US, the highest in the world.
- In last five years, there were a total of 94 inspections leading to voluntary / official action for 10 major Indian pharmaceuticals companies. 92% of these actions were due to drug quality assurance issues.

Number of FDA inspections leading to voluntary/official action for major Indian pharmaceutical companies

Company	Project Area	2016	2017	2018	2019	2020	Grand Total
Macleods Pharma	Drug Quality Assurance		1				1
Peer 1	Drug Quality Assurance		3	2	1	5	11
Peer 1	Compliance: Devices				1		1
Peer 2	Drug Quality Assurance	2	3	3	4	2	14
Peer 2	Monitoring of Marketed Animal Drugs, Feed, and Devices	1			2		3
Peer 3	Drug Quality Assurance	1	2	1	1	2	7
Peer 4	Drug Quality Assurance	4	1		6	1	12
Peer 4	Postmarket Surv. and Epidemiology				1		1
Peer 5	Drug Quality Assurance	3	1		2	1	7
Peer 5	Postmarket Surv. and Epidemiology			1			1
Peer 7	Drug Quality Assurance	2	5	2	6	3	18
Peer 7	Compliance: Devices				1		1
Peer 10	Drug Quality Assurance	2	1	3	2		8
Peer 11	Drug Quality Assurance	2	2		2	1	7
Peer 11	Pre-Approval Eval. of Animal Drugs and Food Additives			1			1
Peer 12	Drug Quality Assurance				1		1
Total		17	19	13	30	15	94

Source: USFDA

Note: Count of inspections leading to voluntary/official action by compliance type for Indian pharma players

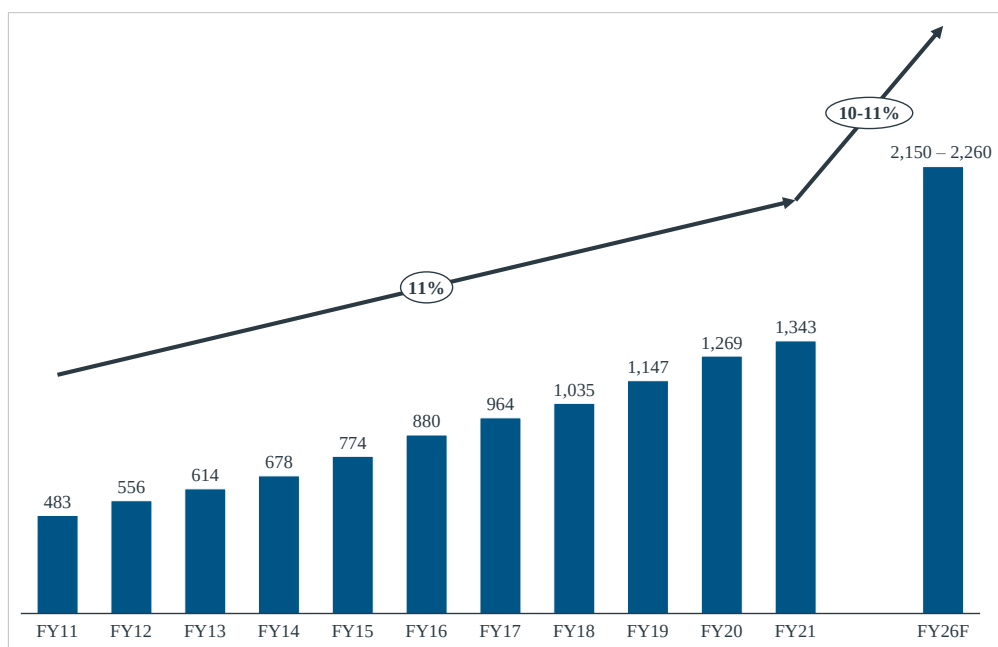
Overview of Indian Pharmaceutical Market

Overall market size and estimated growth rate

The size of Indian Pharmaceutical Market (IPM) has increased from ₹ 483 billion in Fiscal 2011 to ₹ 1,343 billion in Fiscal 2021 at ~11% CAGR over Fiscal 2011-21. (Source IQVIA SSA)

The IPM is forecast to grow at a CAGR of 10-11% to reach ₹ 2,150 – 2,260 billion by Fiscal 2026. (Source IQVIA SSA, IQVIA Market Prognosis - September 2021, IQVIA Analysis)

IPM (₹ billion)



Source: IQVIA SSA, IQVIA Market Prognosis - September 2021, IQVIA Analysis
 Note: Indian pharma market size MAT Mar'11 to MAT Mar'21 (Actuals)

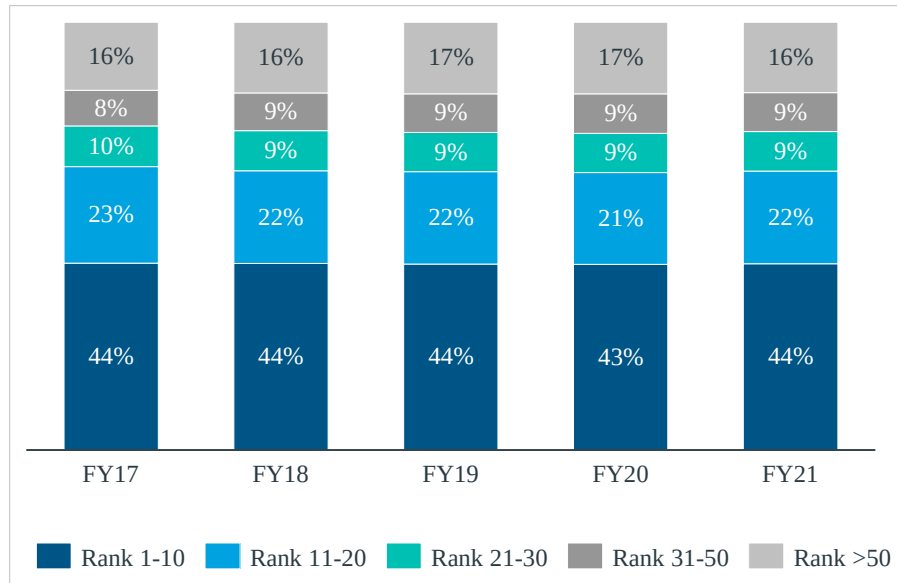
Key players in IPM

IPM is primarily a branded generics-driven market, dominated by Indian generic players which account for ~80-85% of the overall market. Multi-national companies (that is companies that are headquartered overseas) have ~15-20% share of the market; MNCs play a dominant role as innovators in IPM. We have tabulated below the names of some of the top Indian companies and MNCs operating in IPM. The list is in alphabetical order and has not been arranged by any quantitative parameter.

Indian Companies	MNCs
Alkem Laboratories Ltd.	Abbott
Aristo Pharmaceuticals Pvt. Ltd.	Boehringer Ingelheim
Cipla Ltd.	GSK
Dr. Reddy's Laboratories	Janssen
Glenmark Pharmaceuticals Ltd.	MSD
Intas Pharmaceuticals Ltd.	Novartis
Lupin Ltd.	Pfizer
Macleods Pharma	P&G Health
Mankind Pharma	Sanofi
Sun Pharmaceuticals Industries Ltd.	Viatis (formerly Mylan)

The composition of market share (in terms of market share held by top 10, 11 to 20, 21 to 30, etc.) is provided in the chart below. As can be noted, the top 10 players have consistently held 43 to 44% share.

Market share by range of ranking in IPM (%)

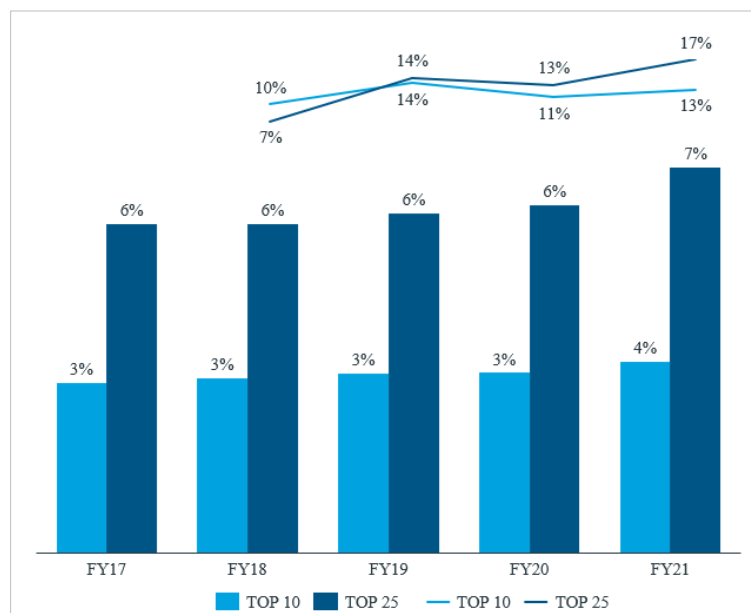


Source: IQVIA SSA

Key brand contribution in IPM

The relative contribution of top 10 and top 25 brands in IPM over Fiscal 2017-21 has remained range-bound (that is top 25 brands formed approx. 6% to 7% of the market share). Relative contribution of brands (in Fiscal 2020 and Fiscal 2021) is attributable to a mix of factors such as (a) Physicians and patients' preference for established brands over newly launched products and (b) the supply chain that top / established brands have built over the years.

% share of sales and YoY growth of top 10 and top 25 brands in IPM (Fiscal 2017-21)



Source: IQVIA SSA, IQVIA Analysis

IPM performance in H1FY22 vs H1FY21

Sales in IPM increased from ₹ 654 billion in the first half of Fiscal 2021 to ₹ 812 billion in the first half of Fiscal 2022, registering a growth of 24.1%.

IPM Sales in H1FY22 vs H1FY21 (₹ billion)

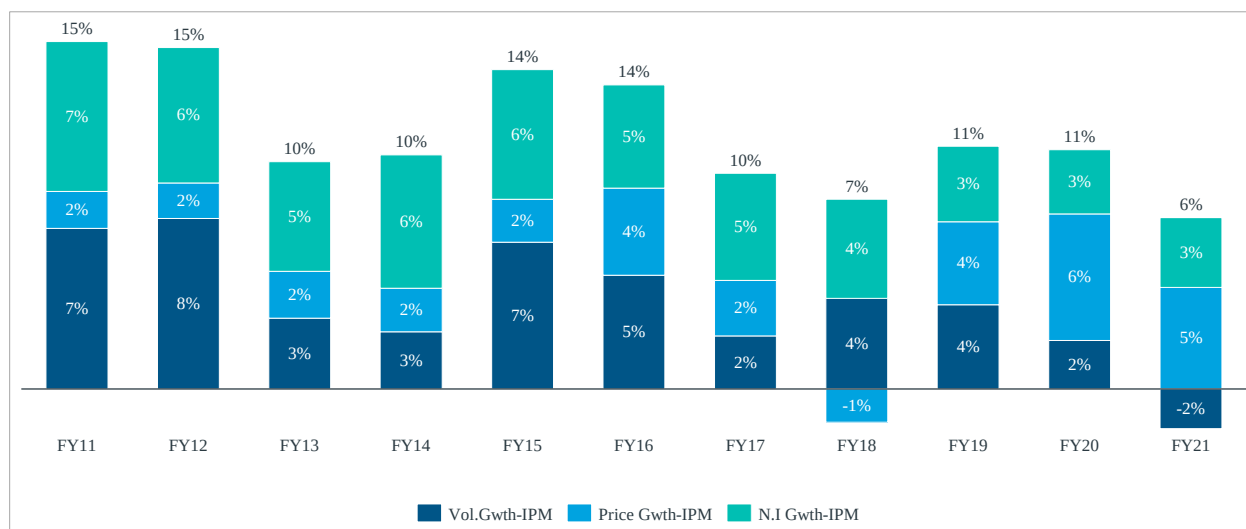
Period	H1FY21	H1FY22	Growth Rate
IPM	654	812	24.1%

Source: IQVIA SSA

IPM growth drivers

The key factors affecting the growth of the IPM are evaluated through Volume, Price, and New Introductions (NI). A tabulation of the relative contribution of each of these factors on the IPM is set out below. It is noted that until Fiscal 2018, the growth was largely volume and NI led and post Fiscal 2018, the growth has primarily been price led.

IPM Growth Drivers (%)



Source: IQVIA SSA, IQVIA Analysis

Note: YoY growth of IPM split into growth drivers like volume, price, and new launches for MAT Mar'11 to MAT Mar'21

Key players in the Covered Market (CVM)

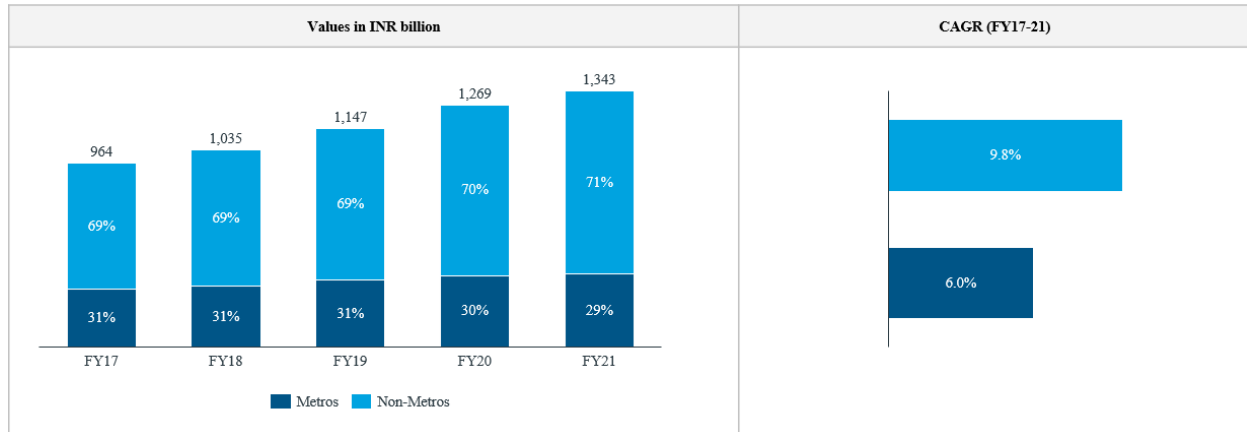
For the purposes of this report, the key therapy areas that form a part of the CVM include Anti-Infectives, Cardiovascular, Dermatology, Pain, Anti-Diabetic, etc. Within the aforesaid CVM, the key players (peers) analysed in this document (pharma companies operating in similar therapeutic areas) are (in alphabetical order) – Alkem Laboratories, Cipla Limited, Dr. Reddy's Laboratories, Eris Lifesciences, IPCA Laboratories, Lupin Limited, Macleods Pharma, Sun Pharmaceutical Industries, Torrent Pharmaceuticals, and Zydus Cadila (Please note that the sequence of these names is not the same as Peer 1 to Peer 9 as covered in the rest of the document.)

The share of these 10 peers in IPM has been range bound between 34-37% over Fiscal 2017-21.

Market segmentation – Metros vs Non-Metros

- Distribution of value sales of IPM between non-metros and metros has been range-bound between Fiscal 2017 and Fiscal 2021 (non-metros comprise approximately 70% of the market while metros have historically comprised approx. 30% of the market)
- Non-metros in IPM have witnessed a growth of ~10% CAGR over Fiscal 2017-21 while metros have grown at ~6% CAGR over the same period.
- Driven by several factors (COVID-19 pandemic and Pharmaceutical companies building their reach in extra urban markets), share of non-metros marginally increased in Fiscal 2020 and Fiscal 2021.

IPM – Geographical Split (₹ billion)

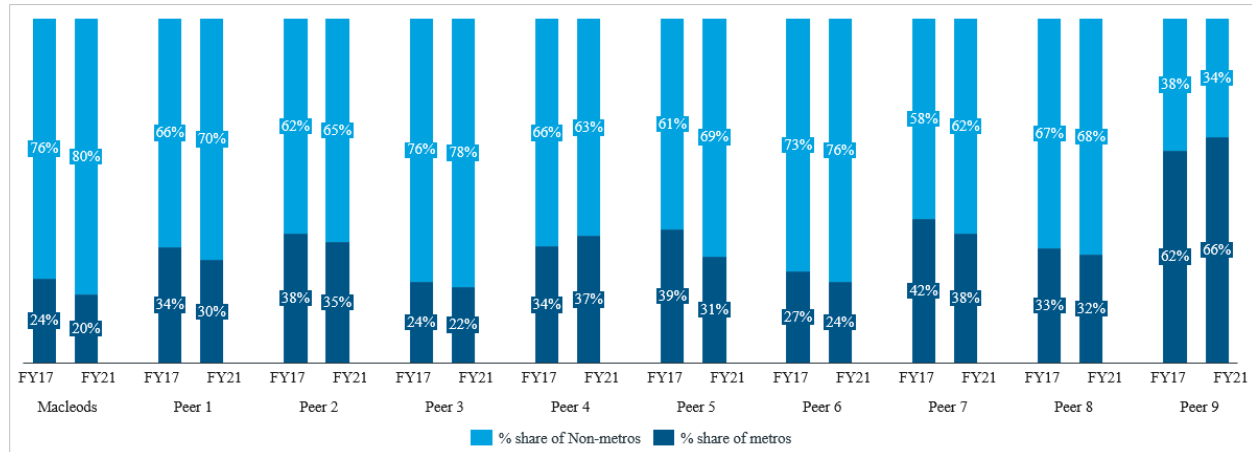


Source: IQVIA SSA, IQVIA Analysis

Note: Contribution of Metros and Non-metros to IPM sales in % for MAT Mar'17 to MAT Mar'21

The following chart compares the share of revenue contribution of metros vs non-metros for the 10 identified peers in the CVM.

% share of metros vs non-metros in revenue for the 10 peers (Fiscal 2017-21)



Source: IQVIA SSA, IQVIA Analysis

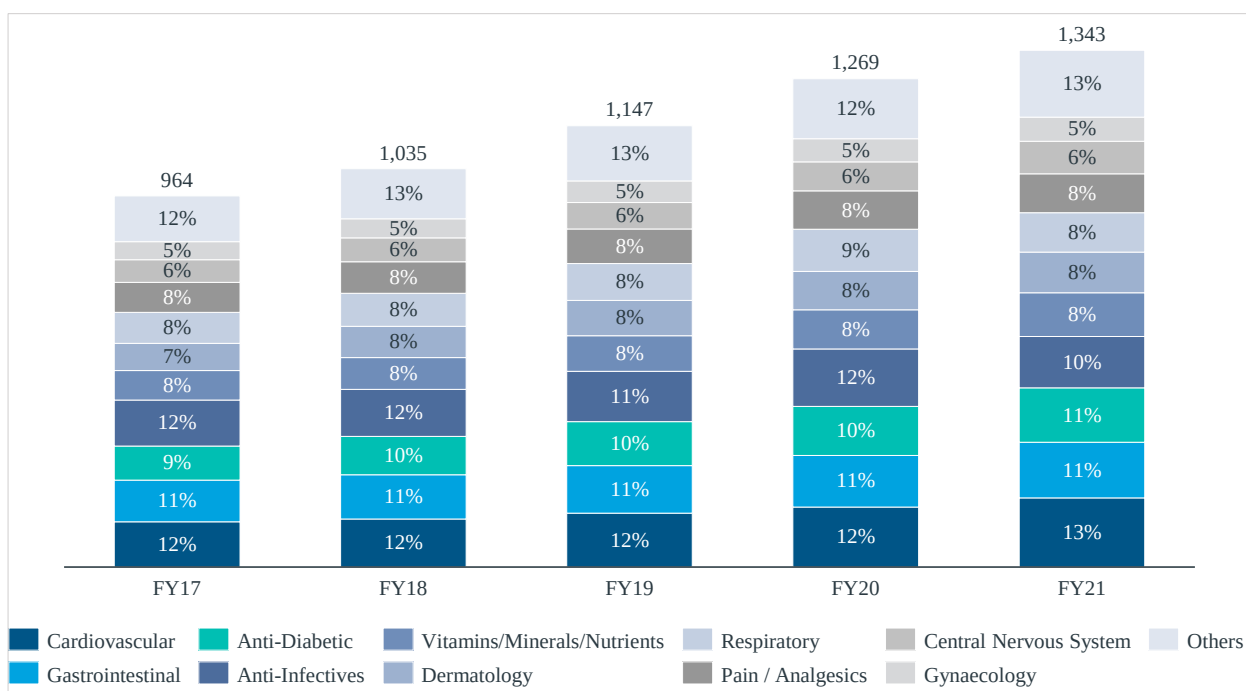
Note: Contribution of non-metros to sales in % for MAT Mar'17 and MAT Mar'21

Market segmentation – Therapy Area

The top 4 therapy areas in IPM namely – Cardiovascular, Gastrointestinal, Anti-Diabetic and Anti-Infectives – each have a market share of over 10% by value, together covering approximately 45% of the IPM in Fiscal 2021.

Anti-Diabetic is the fastest growing therapy area (12.3% CAGR growth over Fiscal 2017-21), followed by Cardiovascular (11.2%) and Dermatology (10.8%). Anti-Infectives witnessing the slowest growth (2.8%) (resulting in the decline of market share of Anti-Infectives therapy area from 12% in Fiscal 2017 to 10% in Fiscal 2021).

IPM – By Therapy Area (₹ billion)



Source: IQVIA SSA, IQVIA Analysis

Note: Therapy wise contribution to IPM in % for MAT Mar'17 to MAT Mar'21

Supergroup	FY17	FY18	FY19	FY20	FY21	CAGR (FY17-21)	CAGR (FY21-26F)
Cardiovascular	118	125	140	156	179	11.1%	12 - 13%
Gastrointestinal	108	115	124	134	145	7.6%	9 - 10%
Anti-Diabetic	89	100	114	127	141	12.3%	10 - 11%
Anti-Infectives	119	123	131	149	133	2.8%	8 - 9%
Vitamins/Minerals/Nutrients	77	82	92	101	114	10.3%	12 - 13%
Dermatology	70	81	92	100	106	10.8%	10 - 11%
Respiratory	80	86	96	110	102	6.2%	5 - 6%
Pain / Analgesics	78	82	90	99	101	6.5%	6 – 7%
Central Nervous System	59	62	69	75	85	9.5%	11 - 12%
Gynaecology	47	49	56	60	63	7.8%	7 – 8%
Others	119	130	144	156	174	9.9%	12 - 13%
Total IPM	964	1,035	1,147	1,269	1,343	8.6%	10-11%

Source: IQVIA SSA, IQVIA Market Prognosis - September 2021, IQVIA Analysis

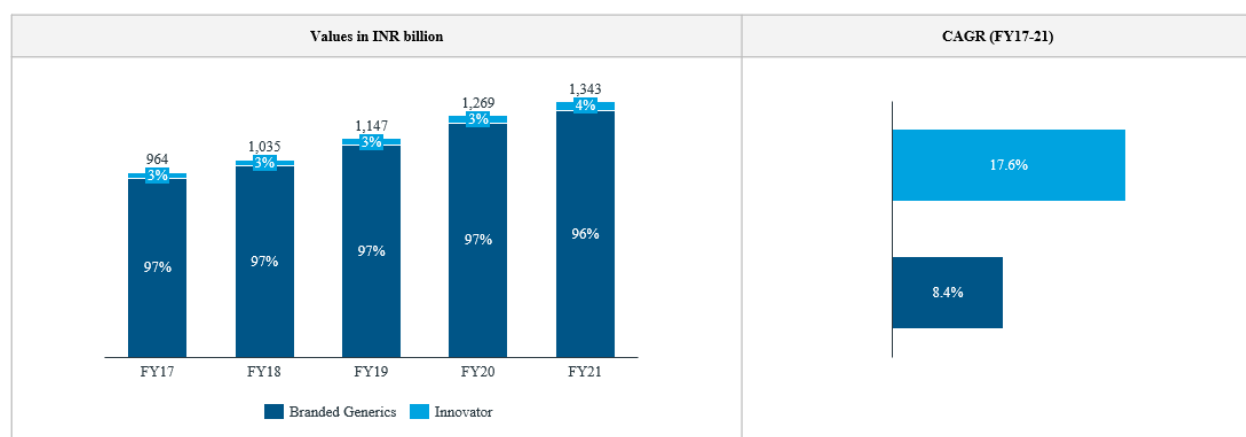
As per IQVIA data, chemical-based drugs account for ~95% of the IPM while biologics account for the remaining ~5% share. In terms of segmentation of IPM by dosage forms, oral dosage form dominates the market with 75% value share in Fiscal 2021. The top 3 dosage forms – oral, parenteral, and topical, which together account for 95% value share in IPM, have witnessed growths of 8%, 9% and 10% CAGR respectively over Fiscal 2017-21.

Market segmentation – Branded Generics vs Innovator

In developed markets such as the US, innovator drugs have typically contributed (over Fiscal 2017-21) significant majority of the value share (as high as 70% to 80% of the value). IPM on the other hand is dominated by branded generics, accounting for 96% share of the IPM as of Fiscal 2021. Branded generics by virtue of the competition dynamics, significant brand image, and high availability characteristics are likely to continue dominating the Indian market in the near future. Trade generics led by substitutions and increased reach have created a marginal shift in the

generics space in the Indian market and established pharma companies continue to assess the impact of this sub-segment.

IPM – Branded Generics vs Innovator (₹ billion)



Source: IQVIA SSA, IQVIA Analysis

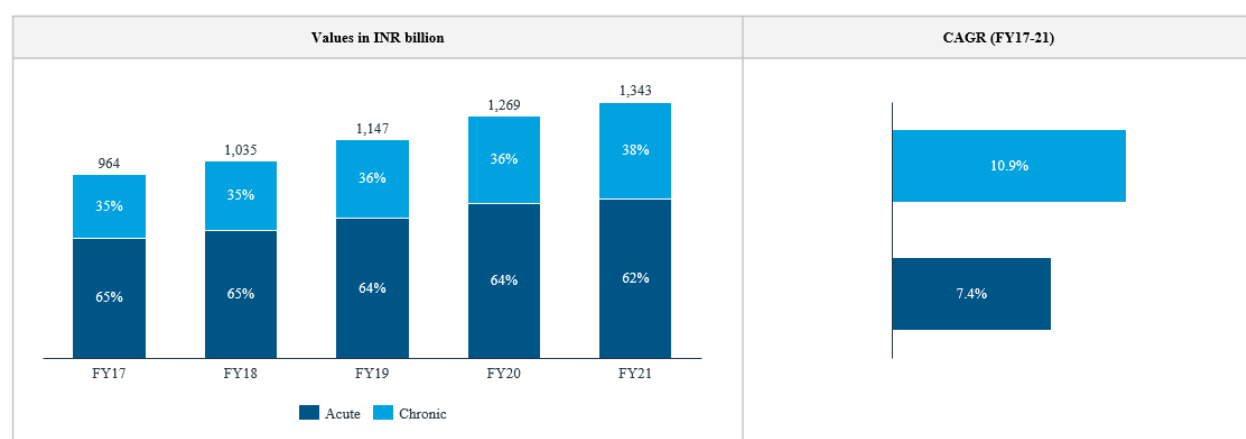
Note: Contribution of branded generics and innovators to IPM in % from MAT Mar'11 to MAT Mar'21

Market segmentation – Acute vs Chronic

The share of chronic therapies (treating chronic illnesses such as hypertension, diabetes, cardiovascular diseases, etc.) in IPM has increased from 35% in Fiscal 2017 to 38% in Fiscal 2021. Chronic therapies have grown at a CAGR of ~11% over Fiscal 2017-21, compared to ~7% CAGR for acute therapies (treating acute diseases such as acute pain, gastric infections, etc.) in the same period.

Chronic therapies witnessed faster growth in Fiscal 2021 (growth of 10.6%) while acute therapies were adversely impacted by the pandemic (growth of 3.2%).

IPM – Acute vs Chronic

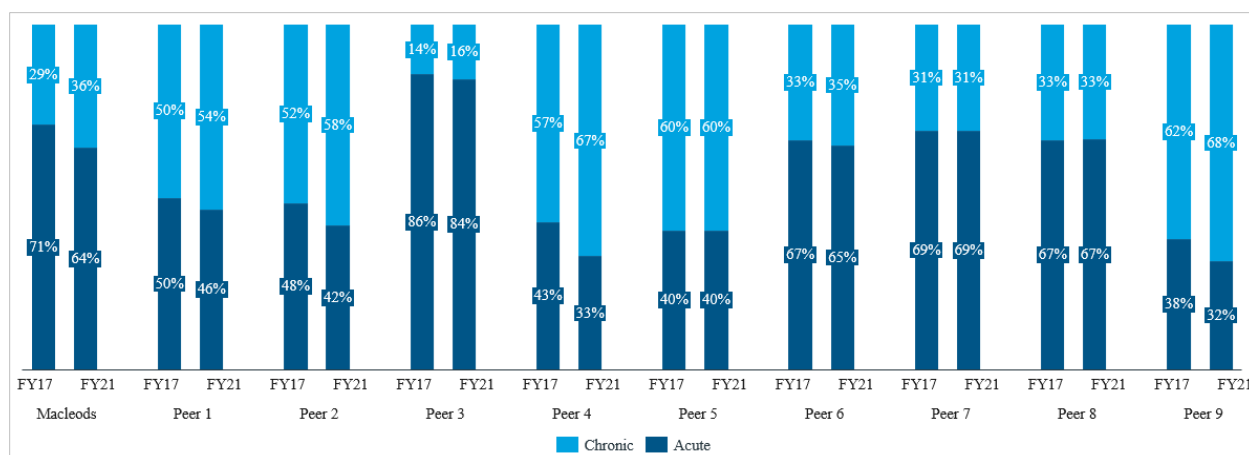


Source: IQVIA SSA, IQVIA Analysis

Note: Contribution of Acute and Chronic therapies to IPM in % from MAT Mar'17 to MAT Mar'21

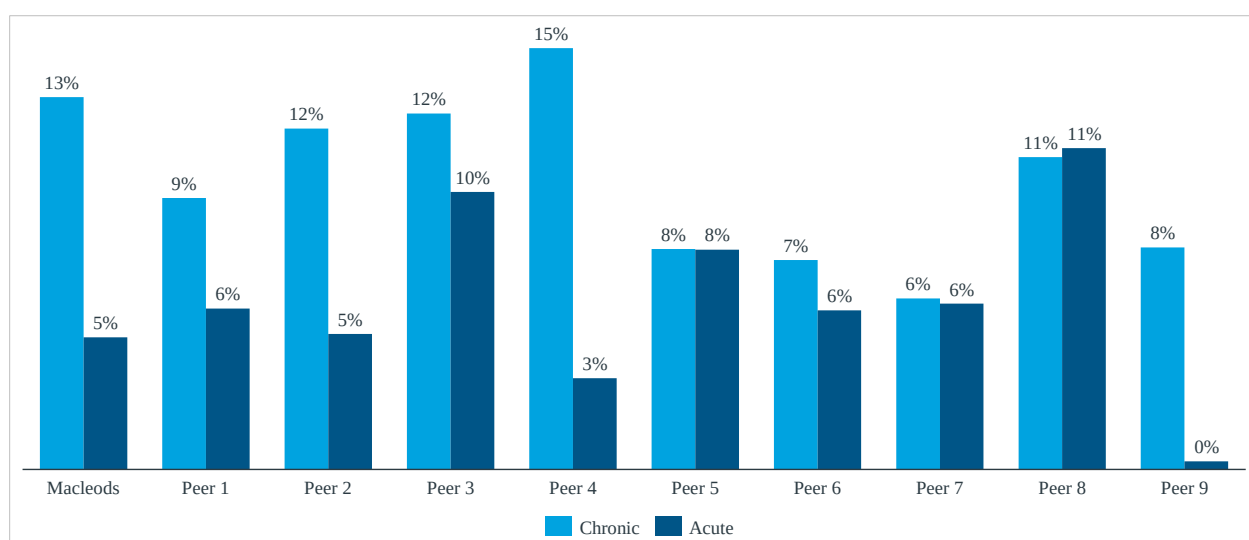
For the 10 peers identified in the CVM, the average share of chronic therapies has increased from 40-45% in Fiscal 2017 to 45-50% in Fiscal 2021. For some peers, the share of chronic therapies in their portfolios was as high as 65-70% in Fiscal 2021.

% share of chronic vs acute therapies for the 10 peers (Fiscal 2017-21)



Source: IQVIA SSA, IQVIA Analysis

5-year CAGR – Acute vs chronic for the 10 peers (Fiscal 2017-21)



Source: IQVIA SSA, IQVIA Analysis

Key growth drivers for the market

- Rising income levels:** Per capita income of India has increased from ₹ 63,642 to ₹ 94,954 between Fiscal 2012-20 indicating a growth of ~5% CAGR. This has resulted in relatively improved living standards and healthcare awareness. As a result, people across income levels seek high quality healthcare services in terms of better hospitals, medicines, and pharmacy services.
- Government initiatives:** Various schemes have been announced by the government including (a) Ayushman Bharat and (b) the National Commission for Allied, and Healthcare Professions Bill 2021, which aims to create a body that will regulate and maintain educational and service standards for healthcare professionals. In addition to programs and schemes related to core healthcare sector, the government has also launched programs to develop manufacturing infrastructure to support smooth and low-cost raw material supply to pharmaceuticals industry. The PLI scheme is designed to encourage domestic production of 50 key APIs. The list is dominated by anti-infectives, but also includes several cardiovascular drugs. In case of pharmacy services, the number of Jan Aushadhi stores has increased from 100 in CY14 to 7,800 in CY21.
- Increasing life expectancy:** As per United Nations, the current life expectancy for India in CY22 is 70.2 years, a 0.3% increase over CY21. Life expectancy for India was 62.3 years in the CY2000 and is

expected to reach 74.9 years in CY50. According to National Health Profile, the average age of Indians is expected to be of 34.7 years in CY36 as compared to 24.9 years in CY11. As of CY11, the proportion of population over the age of 60 years was 8% which is set to increase to ~11.5% by CY26 and ~15% by CY36.

- **Growth in lifestyle diseases:** Chronic segment in IPM has grown at a relatively faster rate of 10.9% CAGR compared to the overall IPM (8.6%) over Fiscal 2017-21. Market share of chronic segment has increased from 35% in Fiscal 2017 to 38% in Fiscal 2021. Major chronic diseases such as cardiovascular and diabetes are expected to grow at 11-13% CAGR over the next five years, driving the growth in IPM.
- **Growth in partnerships and co-marketing agreements:** Partnerships and co-marketing agreements between Indian and foreign companies are expected to increase over the forecast period, reflecting benefits for both originator and local partners. Such alliances will drive rapid and broader market penetration for new brands or an increase in sales for more established products.
- **Increase in health insurance coverage:** The central government's Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) health insurance scheme, will drive healthcare access for patients and improve health outcomes over the forecast period. As per Insurance Regulatory and Development Authority (IRDA), over 500 million people (which is ~38% of Indian population) were covered under some form of health insurance policy as of March 2020. Post the COVID-19 pandemic, there has been increased acceptance of health insurance among people, leading to further increase in insurance penetration. (Source: National Health Profile)

Key Trends in IPM

Review of consolidation trend in IPM

Pharmaceuticals, both formulations and API, have witnessed several Mergers & Acquisitions (M&A) over the last decade. Some of the notable transactions in the domestic formulations market are set out below. A few of these transactions have led to improvement in the ranking (Ex: The Sun Pharma – Ranbaxy transaction led to a 5 place movement in the ranking) in the last 10 years.

Select transactions in IPM

Acquirer	Target	Year of Transaction	Movement in Ranking	
			FY11	FY21
Sun Pharma	Ranbaxy Laboratories	FY15	6	1
Abbott	Piramal Healthcare Solutions	FY11	1	2
Torrent Pharma	Unichem Laboratories	FY18	17	7
	Elder Pharmaceuticals	FY14		
Dr. Reddy's Laboratories	Select portfolio of Wockhardt	FY20	15	12
	Select portfolio of UCB	FY16		

Source: Filings made by the respective companies with stock exchanges, IQVIA Analysis

Note: This list is not exhaustive

Fixed-Dose Combinations (FDC) announcements related impact

As per regulations, FDC medicines contain more than one approved active pharmaceutical ingredient (API), are manufactured as a fixed-dose, and packed in a single dosage form.

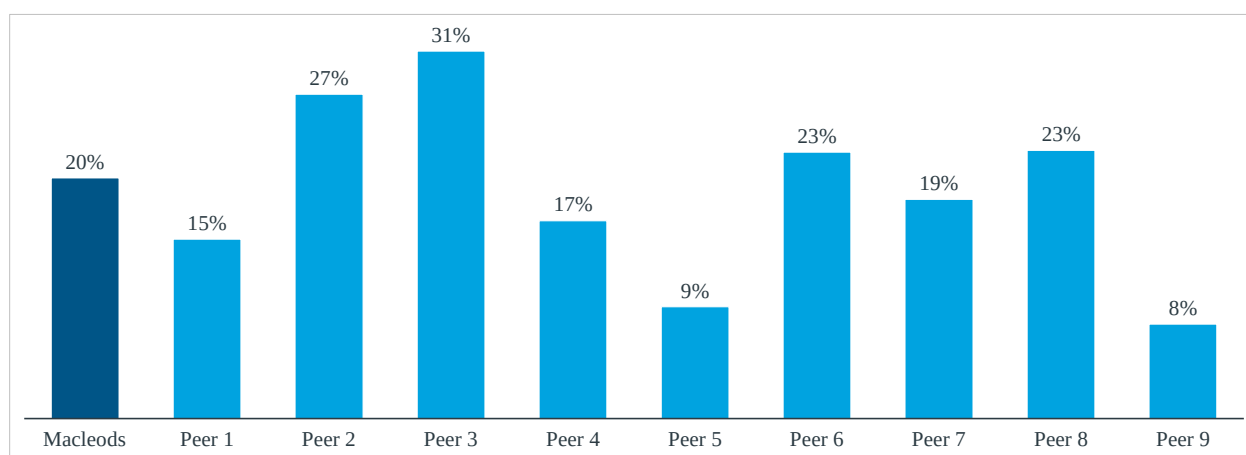
In March 2016, the Central Government had announced a list of ~350 FDCs, following a report submitted by a committee that was set up to evaluate the rationality and safety of fixed dose combinations. However, based on several petitions from drug makers, the resultant impact of such ban was stayed/ deferred. Courts in India directed the Drugs Technical Advisory Board (DTAB) to examine the rationality and safety of the initial set of FDC drugs. In September 2018, based on the recommendations of the DTAB, approximately 325 FDCs were banned which was subsequently increased by an additional 80 FDCs announced in January 2019. As companies gradually stop manufacturing /

marketing these FDCs, as a result of this ban, the share of these products in the revenues of companies has declined between Fiscal 2017 and Fiscal 2021.

Drug price control regulations (National List of Essential Medicines)

- In India, the National List of Essential Medicines (NLEM) was developed in concordance with the standard treatment guidelines keeping in mind the priority healthcare needs of majority of the population, and to address the disease burden of the nation and the commonly used medicines at primary, secondary and tertiary healthcare levels.
- The National Pharmaceutical Pricing Authority (Constituted by the Government of India – Department of Pharmaceuticals) has been tasked with periodic review and revision of the ceiling prices of the pharmaceutical products covered under the NLEM. NPPA has periodically issued ceiling prices for several molecules. Periodically, every April, these ceiling prices are revised in line with the changes in the wholesale price index (WPI), to factor the underlying inflation on a year on year basis.
- The pricing of pharmaceutical products that are not covered in the NLEM, is determined by the respective pharmaceutical companies, based on several factors (relative benefit of the drug over the current standard of care, existing competition, etc). For these non-NLEM products, pharmaceutical companies are allowed to increase the prices of drugs by upto 10% every year.

Average NLEM exposure as % share of Fiscal 2021 revenue for the 10 peers

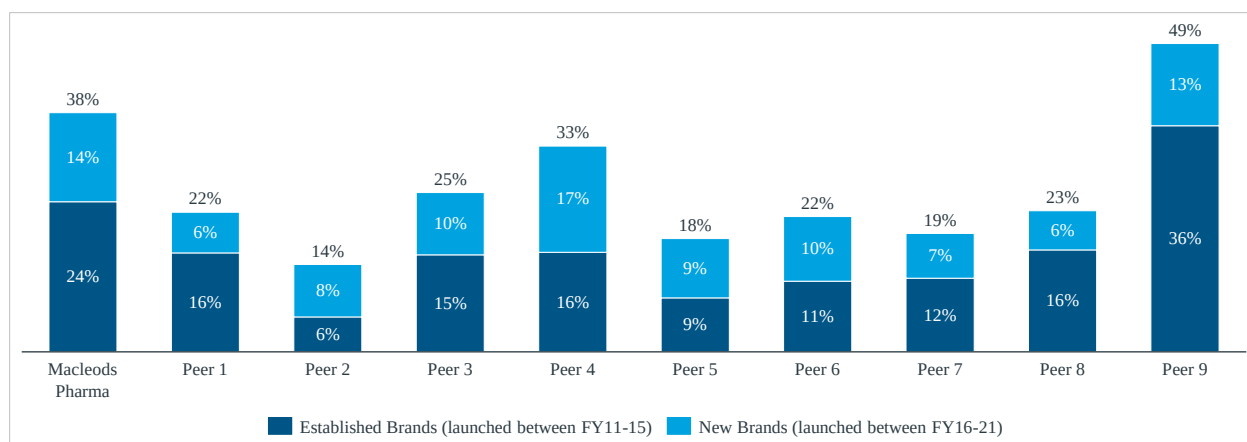


Source: IQVIA SSA, IQVIA Analysis

Sales contribution of “Established” and “New” brands

For the purposes of this research, we have evaluated the relative contribution of “Established” (brands launched between Fiscal 2011-15) and “New” (brands launched between Fiscal 2016-21) brands in the portfolio of peers identified. The chart below provides sales contribution (to the company’s sales in IPM, as of Fiscal 2021) of (a) “Established brands” and (b) “New brands”.

% share of sales from “Established” and “New” brands for the 10 peers (Fiscal 2021)



Source: IQVIA SSA, IQVIA Analysis

Trends for key therapy areas

Cardiovascular

- Cardiovascular is the largest therapy area in IPM, with growth rate of ~11% over Fiscal 2017-21. It grew ~15% in Fiscal 2021 over the previous year. Cardiovascular is further expected to grow at 12-13% CAGR over Fiscal 2021-26. (Source: IQVIA SSA, IQVIA Market Prognosis - September 2021, IQVIA Analysis)
- Increasing prevalence of hypertension and diabetes are key growth drivers for the growth of Cardiovascular therapy area. Prevalence of hypertension and diabetes is increasing in India due to rise in ageing population, rising income levels, rapid urbanization, and adoption of sedentary lifestyle.
- Statins are the largest drug class in Cardiovascular in IPM with a value market share of ~19% within the therapy area and grew at a 9.6% CAGR over Fiscal 2017-21. (Source: IQVIA SSA)

Anti-Diabetic

- Anti-Diabetic is the 3rd largest therapy area in IPM, with growth rate of ~12% over Fiscal 2017-21. It grew ~11% in Fiscal 2021 over the previous year. Anti-Diabetic is further expected to grow at 10-11% CAGR over Fiscal 2021-26. (Source: IQVIA SSA, IQVIA Market Prognosis - September 2021, IQVIA Analysis)
- India holds second place behind China in terms of the number of people affected with diabetes. The prevalence of diabetes between the age of 20-79 years in India (IDF 2019 data) is 8.9 %. This corresponds to total diabetes cases in adults at ~77 million and is expected to reach 100 million by CY30. The number of people aged more than 65 years with diabetes were estimated at 12 million in CY19, which is expected to increase to 18 million by CY30.
- Factors driving the diabetes growth in India include physical inactivity, dietary alterations, obesity, stress, and genetic aspects
- Oral Anti-Diabetic have a value market share of ~74% as of Fiscal 2021 while Insulin analogues have value market share of ~24% in Indian Anti-Diabetic market. Both the drug classes have grown at ~12% CAGR over Fiscal 2017-21. (Source: IQVIA SSA)

Anti-Infectives

- Anti-Infectives is the 4th largest therapy area in IPM, with growth rate of ~3% over Fiscal 2017-21. It declined by ~11% in Fiscal 2021 over the previous year due to COVID-19 lockdown which reduced the risk of infections. Anti-Infectives are expected to grow at 8-9% CAGR over Fiscal 2021-26. (Source: IQVIA SSA, IQVIA Market Prognosis - September 2021, IQVIA Analysis)

- Cephalosporins is the largest drug class with ~42% value market share, having witnessed a muted growth of ~1% CAGR over Fiscal 2017-21. (Source: IQVIA SSA)
- Macrolides and Carbapenems are one of the fastest growing sizable drug classes, with growth of ~7% CAGR over Fiscal 2017-21. (Source: IQVIA SSA)

Central Nervous System (CNS)

- Between CY19 and CY20, CNS therapy area had witnessed growth of 0.7%. Considering rising incidence of disorders in neurological space and increasing number of new drug launches seen, CNS therapy area is expected to grow at 3.5% CAGR over Fiscal 2021-26. (Source: IQVIA SSA, IQVIA Market Prognosis - September 2021, IQVIA Analysis)
- Availability of advanced healthcare facilities is expected to contribute to the Indian CNS treatment market in forthcoming years
- The contribution of non-communicable and injury-related neurological disorders to the total disease burden more than doubled in India from CY1990 to CY2019. The burden of non-communicable neurological disorders is increasing in India mainly due to the rising ageing population.
- Strokes, headache disorders and epilepsy are some of the leading contributors to neurological disorders burden in India.
- Among the known risk factors for neurological disorders burden, high blood pressure, air pollution, dietary risks, high fasting plasma glucose, and high body mass index are the leading contributors.

Nephrology

- Chronic Kidney Disease (CKD) has emerged as a major cause of global morbidity and mortality as per the Global Disease Burden report of 2015. There has been a 37.1% rise in mortality over the last 10 years.
- In India, the burden of CKD has not been assessed properly but it is estimated that the prevalence of CKD is 800 patients per million population and the prevalence of end-stage renal disease is 150-200 patients per million population.
- There are also growing cases of hypertension associated with CKD.
- According to a 2012 report from the Indian CKD Registry, the commonly identified causes of kidney failure were diabetes, hypertension, and Glomerulonephritis (GN).

Gastrointestinal

- Gastrointestinal therapy area includes anti-ulcerants, laxatives, prokinetics, hepatobiliary, anti-inflammatory, pre-probiotics, and anti-spasmodics.
- Gastrointestinal is the 2nd largest therapy area in IPM with the market size of ₹ 145 billion and market share of ~11% as of Fiscal 2021. It has grown at 7.6% CAGR over Fiscal 2017-21 and is expected to grow at CAGR of 9-10% over Fiscal 2021-26. (Source: IQVIA SSA, IQVIA Market Prognosis - September 2021, IQVIA Analysis)
- Gastrointestinal are expected to grow at a steady pace, due to the increasing penetration of such drugs in rural India which lack proper sanitation facilities and are thus more prone to acute ailments.
- Key growth drivers for Indian Gastrointestinal market are:
 - Increasing prevalence of GI diseases
 - Rising geriatric population
 - Increasing investment in research & development

- Additionally, changing lifestyle and increasing awareness about the availability of the treatment will fuel the market growth

Dermatology

- Dermatology is the 6th largest therapy area in IPM, with sales of ₹ 105.8 billion in Fiscal 2021. It has grown at a CAGR of 6.2% over Fiscal 2017-21 and is expected to further grow at a CAGR of 10-11% over Fiscal 2021-26. (Source: IQVIA SSA, IQVIA Market Prognosis - September 2021, IQVIA Analysis)
- Dermatological antifungals is the largest drug class in Indian Dermatology market with value market share of 23% within the therapy area. The drug class has grown at a CAGR of ~16% over Fiscal 2017-21. (Source: IQVIA SSA)

Respiratory

- Respiratory is the 7th largest therapy area in IPM, with sales of ₹ 102.3 billion in Fiscal 2021. It has grown at a CAGR of 6.2% over Fiscal 2017-21 and is expected to further grow at a CAGR of 5-6% over Fiscal 2021-26. (Source: IQVIA SSA, IQVIA Market Prognosis - September 2021, IQVIA Analysis)
- The top two drug classes in Respiratory therapy area are cough preparations and bronchodilator inhalant preparations, which together account for ~50% of the value market share within the therapy area as of Fiscal 2021. (Source: IQVIA SSA)
- Within Respiratory therapy area, chronic segment has witnessed a CAGR of ~10% over Fiscal 2017-21 as compared to ~3% by the acute segment. The value share of chronic segment has increased from 39% in Fiscal 2017 to 45% in Fiscal 2021 within Respiratory therapy area. (Source: IQVIA SSA)

Key measures taken by the government for the healthcare sector

Key budget proposals

- The announced spending on health and welfare in the 2021-2022 budget at ₹ 2.24 trillion was up sharply compared to year-earlier figures. However, it included a substantial one-time funding for the procurement and rollout of COVID-19 vaccines (₹ 350 billion – equivalent to 16% of the total healthcare expenditure) as well as higher amounts allocated to established health programs, driven by the pandemic.
- The budget for the Department of Pharmaceuticals (DoP), at ₹ 4.7 billion, was increased by over 40%, which is broadly in line with its spending in the year to March 2021, driven up by COVID-related costs.
- Budgeted funding for the National Health Mission was increased by 10%, while funding earmarked for the flagship Ayushman Bharat ('Healthy India') PMJAY health insurance scheme was almost unchanged at ₹ 64 billion.

Ayushman Bharat Program

- In 2018, the government announced the Ayushman Bharat program, designed to deliver on NHP goals. The two-pronged initiative envisaged:
 - Provision of free access to a comprehensive range of primary care services through the transformation of 150,000 public health centres into Health and Wellness Centres (HWCs).
 - Establishing a new health insurance scheme to provide subsidized hospital care for around 100 million of the country's poorest families.
- Both initiatives under the program are being rolled out progressively, while new programs are being designed to build on the two initiatives.
- In August 2020, Ayushman Bharat Digital Mission (ABDM) was launched to boost the efficiency and transparency of the AB-PMJAY scheme. This involves the rollout of several digital initiatives including

electronic health cards, online physician and health facility registries, personal health records, and electronic medical records.

Source: Pradhan Mantri Jan Arogya Yojana website

Production-Linked Incentive (PLI) Schemes

- Department of Pharmaceuticals (DoP) had announced the first PLI scheme in July 2020 with incentives worth ₹ 69.4 billion to boost domestic manufacturing of identified KSMs, drug intermediates, and APIs to attract large investments in the sector and to reduce India's import dependence in critical APIs.
- The investment thresholds for availing the incentives under the PLI scheme are as follows:
 - Fermentation based 4 KSMs / Drug Intermediates – ₹ 4,000 million
 - Fermentation based 10 niche KSMs / Drug Intermediates / APIs – ₹ 500 million
 - Key chemical synthesis based 4 KSMs / Drug Intermediates – ₹ 500 million
 - Other 23 Chemical Synthesis based KSMs / Drug Intermediates / APIs – ₹ 200 million
- The COVID-19 pandemic highlighted both the high degree of reliance of local manufacturers on API imports and the limited capabilities of the domestic industry to produce complex, high-value drugs. In March 2021, the DoP announced a new PLI scheme, with incentives worth ₹ 150 billion, to encourage local investment in both areas.
- The incentives will be given in accordance with the respective participant's ability to meet investment and sales growth thresholds. Moreover, participants will be divided into three groups based on current global revenues – ₹ 110 billion worth of funds will be awarded to group A companies (global revenues of ₹ 50 billion or more), with those in groups B (global revenues of ₹ 5-50 billion) and C (global revenues of less than ₹ 5 billion) sharing ₹ 22.5 billion and ₹ 17.5 billion, respectively. Incentives will be based on a percentage of annual increases in company revenues for three product types:
 - Category 1 – complex generics, patented drugs, cell-based or gene therapy drugs and orphan drugs.
 - Category 2 – APIs, key starting materials (KSMs) and intermediates.
 - Category 3 – repurposed drugs, including autoimmune products, antidiabetics, anti-infectives, antiretrovirals, cancer, cardiovascular and psychotropic drugs.

Source: Department of Pharmaceuticals

Subsidized Medicine Schemes

- The pandemic has led to an increased demand for low-cost generics dispensed by government run Jan Aushadhi outlets. At ₹ 4.8 billion, sales from these outlets through the nine months to 31 December 2020 increased 60% compared to year-earlier figures.
- With less than 100 Jan Aushadhi stores operational in CY14, the current government's support for the initiative led to the numbers rise to 7,800 in June 2021. The range of drugs dispensed by Jan Aushadhi outlets has also increased to 1,250.

Impact of the Pandemic on the Pharmaceutical Market

- The pandemic took a heavy toll on the economy in 2020 and while the second wave of COVID-19 infections triggered further disruption of the pharmaceutical market, its impact on growth in the sector was less dramatic than in 2020.
- Demand continued to vary significantly by therapeutic area during 2021, with declines in demand for some of the non-COVID fields offset by strong COVID-19 related therapeutic revenues.
- Near-term market growth to witness modest contribution from new product launches, reflecting the challenges faced by manufacturers attempting to generate prescriptions for new drugs in the current climate.

- Non-COVID patient flows, in the early part of the forecast period, are expected to remain below pre-pandemic levels. This is primarily due to underlying reluctance of some patients to visit hospitals as well as impact of the pandemic on patient incomes.
- While local market growth has been blunted by the pandemic, demand for Indian pharmaceutical is expected to remain strong in the exports markets. This reflects efforts by governments across the globe to reduce dependence on China for APIs and finished drugs.
- The pandemic led to a rapid increase in the use of digital and virtual communication tools – both for patient consultations as well as for medical detailing.
- Self-medication rates also rose – especially among patients seeking refills of drugs for the treatment of chronic conditions, while online drug purchases also increased sharply.
- While leading manufacturers were able to manage the disruption caused by the pandemic, many smaller local companies, which already faced strategic and regulatory challenges, are struggling, and the pandemic could hasten consolidation of the domestic pharmaceutical industry.

OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” on page 34 for a discussion of the risks and uncertainties related to those statements and the section “Risk Factors” on page 36 for a discussion of certain risks 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.

In Fiscal 2022 our Company completed the de-merger of the investment business undertaking of the Company into Agarwal Holdings Private Limited, one of our Promoter Group entities (“**Demerger**”). We have included in this Draft Red Herring Prospectus the Pro Forma Consolidated Financial Information (to be read in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Basis of Preparation of the Pro Forma Consolidated Financial Information” on page 418) as at and for the years ended March 31, 2019, 2020 and 2021 and the six months ended September 30, 2021, to show the impact of the Demerger on our Company, including the results of operations and the financial position that would have resulted had the Demerger been completed at a date prior to the first period presented in the Pro Forma Consolidated Financial Information. For further details, see “Financial Information – Pro Forma Consolidated Financial Information” on page 358; “History and Certain Corporate Matters – Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last 10 years” on page 201; and see “Risk Factors - The Pro Forma Consolidated Financial Information included in this Draft Red Herring Prospectus to reflect the impact of the Demerger on our Company is not indicative of our future financial condition or factual financial position or results of operations” on page 42.

Our financial year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular financial year are to the 12 months ended March 31 of that year. Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Pro Forma Consolidated Financial Information included in this Draft Red Herring Prospectus on page 358.

We have included certain sales, market share and other financial information relating to the pharmaceutical industry and our operations, products and therapeutic areas that is sourced from IQVIA Report and IQVIA Dataset. IQVIA computes revenues for the sales of pharmaceutical products based on their research on sales of products in certain pharmaceutical markets and in relation to specific geographic areas. The methodology for computation of revenues by IQVIA, including for our products, is different from the methodology we adopt for the recognition of revenue from the sales of our products under Ind AS, reflected in the Restated Financial Statements included in this Draft Red Herring Prospectus. Accordingly, the sales, market share and other financial data sourced to IQVIA may not accurately reflect our revenues, results of operations and financial results for the products/therapeutic areas covered.

Unless otherwise indicated, such data used in this section has been derived from the IQVIA Dataset. The IQVIA Dataset is subject to the following disclaimer: “The above material includes information based on market research information obtained under license from the following information service(s): IQVIA MIDAS Quarterly Audit March & September 2021 Dataset, IQVIA Secondary Sales Audit Dataset March & September 2021, IQVIA Secondary Sales Audit Dataset March 2016, IQVIA Secondary Sales Audit Dataset March 2013 and IQVIA US National Sales Perspective (USNSP September 2021). Copyright IQVIA. All Rights Reserved.” “The above material also includes information based on secondary research information from the following source(s): Filings of consolidated financials made by the respective companies with stock exchanges”

We have also derived certain information from the IQVIA Report which was commissioned by us in connection with the Offer. The IQVIA Report is subject to the following disclaimer:

“The above material includes information based on market research information obtained under license from the following information service(s): Specific IQVIA Data Asset; MAT Mar 2021. Copyright IQVIA. All Rights Reserved.” The enclosed materials include information derived from market research information provided by IQVIA and its affiliated companies. IQVIA market research information is proprietary to IQVIA and available on a confidential basis. IQVIA market research information reflects estimates of marketplace activity and should be treated accordingly.”

Unless otherwise indicated, all financial, operational, industry and other related information derived from the IQVIA Dataset or the IQVIA Report and included herein with respect to any particular year refers to such information for the relevant Fiscal Year. For further details in relation to disclaimer and risks in relation to the IQVIA Dataset and the IQVIA Report, see “Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation” on page 28 and “Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from the IQVIA Dataset and IQVIA Report exclusively commissioned by our Company solely for the purposes of the Offer.” on page 60.

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in “Risk Factors”, “Industry Overview”, “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 36, 122, 235 and 394, respectively.

Overview

Established in 1989, we are one of the leading (7th largest in the IPM for the six months ended September 30, 2021, based on Domestic Sales (as defined below) (Source: IQVIA Dataset)), organically grown, wholly Promoter Group-owned, vertically integrated, global pharmaceutical companies based in India. We are engaged in developing, manufacturing, and marketing a wide range of formulations across several major therapeutic areas including anti-infectives, cardiovascular, anti-diabetic, dermatology, and hormone treatment. We were the 7th largest in the Indian pharmaceutical market (“IPM”) by our Domestic Sales (“Domestic Sales” refers to moving annual total sales for a period calculated on a monthly rolling basis, as recorded by IQVIA in India) for the six months ended September 30, 2021, and 2nd largest in the Covered Market in Fiscal 2021 (“Covered Market” refers to all anatomical therapeutic chemical classifications where our Company had Domestic Sales of more than ₹ 5 million in Fiscal 2021) (Source: IQVIA Dataset). Our domestic business comprises of branded generics, and revenue from operations in India represented 51.73% of our total revenue from operations in Fiscal 2021, which was the 3rd highest proportion of domestic business among nine other key pharmaceutical companies in India (referred to as “Peers”, see “ – Competition” on page 186) (Source: IQVIA Dataset). We have the highest number of WHO pre-qualified products globally with 65 registrations, and the highest number of WHO pre-qualified anti-TB product registrations with 32 registrations, as at December 31, 2021 (Source: IQVIA Report).

Our Domestic Sales grew faster than the IPM at a CAGR of 15.3% from Fiscal 2011 to Fiscal 2021, compared to 10.8% growth in Domestic Sales of the IPM in the same period (Source: IQVIA Dataset). Following an increased focus on chronic therapies, expansion of our distribution network and strategic product launches, our Domestic Sales ranking in the IPM improved from 20th in Fiscal 2010 to 8th in Fiscal 2021 (Source: IQVIA Dataset). Our chronic segment grew at a CAGR of 12.9% from Fiscal 2017 to Fiscal 2021, the second highest growth rate among our Peers, outperforming the chronic segment CAGR of 10.9% in the IPM, in the same period, by Domestic Sales (Source: IQVIA Report and IQVIA Dataset). As a result, Domestic Sales from our chronic therapies as a proportion of our total Domestic Sales increased from 29.0% in Fiscal 2017 to 35.6% in Fiscal 2021, and further to 36.5% in the six months ended September 30, 2021 (Source: IQVIA Dataset). In particular, from Fiscal 2017 to Fiscal 2021, our Domestic Sales from anti-diabetics, cardiovascular, derma, respiratory and hormones therapies grew at a CAGR of 28.5%, 13.4%, 11.7%, 11.0%, and 10.4%, respectively, higher than the IPM growth of 12.3%, 11.1%, 10.8%, 6.2% and 6.9%, for the same therapies in the same periods, respectively (Source: IQVIA Dataset). We were ranked amongst the top 10 companies in 8 out of top 10 therapies in the Covered Market (by Domestic Sales) in Fiscal 2021 (Source: IQVIA Dataset).

We had a portfolio of 595 brands in the IPM from Fiscal 2017 to Fiscal 2021 (Source: IQVIA Dataset). Based on Domestic Sales in Fiscal 2021, we had 2 brands in the top 100 Indian brands, and 7 brands in the top 300 Indian brands (Source: IQVIA Dataset). We have also successfully scaled new brands in short durations, with our brand Panderm++, crossing ₹ 1 billion in Domestic Sales in Fiscal 2021 and ranking 1st in the molecular group of Clobetasol+Miconazole+Neomycin in the IPM (by Domestic Sales), within three years from launch of the brand (Source: IQVIA Dataset). New brands that we have launched in the last three Fiscals, such as Vildamac and Vildamac M, in established molecule groups of Vildagliptin and Vildagliptin+Metformin in the anti-diabetic market have gained market share among non-innovator brands in the IPM (Vildamac comprised 7.3% of the Vildagliptin market, and Vildamac M comprised a market share of 8.6% of the Vildagliptin+Metformin market) by Domestic Sales in the six months ended September 30, 2021 (Source: IQVIA Dataset). Other recently launched brands such as Dapamac and Damita in the Dapagliflozin molecular group have together emerged as the 4th largest in such molecular group, in the

non-innovator branded market, by Domestic Sales in the six months ended September 30, 2021 (*Source: IQVIA Dataset*). Furthermore, 18 of our top 20 products in therapies such as hormones, dermatology, anti-infectives, cardiovascular, are amongst the top 5 in their respective molecular groups, by Domestic Sales in Fiscal 2021 (*Source: IQVIA Dataset*). We have also focused on growing our existing brands over the last five years, and the number of brands that recorded Domestic Sales in excess of ₹ 500 million increased from 6 in Fiscal 2017 to 14 in Fiscal 2021 (*Source: IQVIA Dataset*). These attributes have helped maintain our position as the 2nd largest company in the Covered Market in the IPM (by Domestic Sales), for five consecutive years (Fiscal 2017 to Fiscal 2021) (*Source: IQVIA Dataset*).

We are present across regions in India, through our sales team that comprised more than 4,900 medical representatives in India as at September 30, 2021. Through our sales and distribution efforts, Domestic Sales per medical representative per month in India was ₹ 0.60 million, ₹ 0.68 million, ₹ 0.70 million and ₹ 0.90 million, in Fiscals 2019, 2020, and 2021 and in the six months ended September 30, 2021, respectively. This has helped us grow our Prescribers' Share (i.e., number of medical practitioners in the IPM prescribing our products as a proportion of medical practitioners across all specialties in the IPM) to 61.4% for the year ended September 30, 2021 at a CAGR of 4.5% from the year ended September 30, 2017, compared to a CAGR of 1.7% in the IPM, for the same period (*Source: IQVIA Dataset*). We have a deep presence in the IPM with our Domestic Sales from non-metro cities representing 80.0% of our total Domestic Sales in Fiscal 2021, higher than 70.0% as recorded for the IPM, indicating our strong presence across high-growth markets in India (*Source: IQVIA Report*).

The table below sets forth the split of Domestic Sales by metros and non-metros for our Company and certain of our Peers in the IPM.

Company ⁽¹⁾	% Contribution to Total Domestic Sales (Fiscal 2021)	
	Metros ⁽²⁾	Non-Metros ⁽³⁾
Sun Pharmaceuticals Industries Ltd.	29.9%	70.1%
Cipla Ltd.	35.2%	64.8%
Alkem Laboratories Ltd.	22.0%	78.0%
Lupin Limited	37.0%	63.0%
Torrent Pharma	31.0%	69.0%
Macleods Pharmaceuticals Limited	20.0%	80.0%

Source: IQVIA Dataset based on the IQVIA SSA March 2021 Dataset for Fiscal 2017 to Fiscal 2021

(1) Top 5 companies (among Peers including/ excluding our Company as applicable) based on Fiscal 2021 value

(2) Metros comprise 30 cities combined (i.e., cities with a population of more than 1 million as per the 2011 Census)

(3) Non-Metros is defined as all remaining town classes (i.e., towns with a population of less than 1 million as per 2011 Census)

We have an extensive global presence in more than 170 countries across developed and emerging markets such as North America, Europe, Africa, Asia, South America, and the Commonwealth of Independent States (the “CIS”). We adopt a distinct approach for each market to leverage the unique characteristics of these markets, including the regulatory landscape, market size, competitive landscape, and scope for our products. For instance, as a manufacturer of generic medicines, we are able to compete effectively in the United States of America, while maintaining lean operations, leveraging dossier filings in other markets, and deepening our engagements with our customers. Our operations in South Africa have been driven by the market for essential medicines such as anti-TB and anti-HIV products for eradication of diseases affecting their population. This has been enabled by our research and development (“R&D”) driven product formulations following high standards of quality. Revenue from operations outside India grew at a CAGR of 21.51% from Fiscal 2019 to Fiscal 2021 and represented 48.27% of our revenue from operations in Fiscal 2021. We have strong sales, marketing and distribution capabilities globally, with more than 200 employees outside India as at September 30, 2021. Globally, we also strive to provide effective and accessible therapies with an extensive portfolio of anti-TB products, and have the highest number of WHO pre-qualified products globally with 65 registrations, and the highest number of WHO pre-qualified anti-TB product registrations with 32 registrations, as at December 31, 2021 (*Source: IQVIA Report*). Leveraging our presence in anti-TB products, we forayed into anti-retrovirals (“ARV”), Artemisinin Combination Therapy (“ACT”) for malaria products. Globally (excluding North America and Europe) our Company ranks 5th in anti-TB and 9th in anti-HIV (*Source: IQVIA Dataset*), and 2nd in anti-TB and 3rd in anti-HIV (among Indian-origin companies) by Standard Units sold (i.e., dose units/ smallest common doses for a product form), for the year ended September 30, 2021.

Our R&D-driven operations have resulted in a track record of product innovation and product launches. Our vertically integrated R&D capabilities have helped us develop a portfolio of complex formulations in multiple dosage forms and novel drug delivery systems (“**NDDS**”) across high-growth therapeutic areas. We have developed portfolios of differentiated products across several therapies, such as a fixed drug combination of Rifapentine and Isoniazid for treatment of latent TB infections, which was recognized as the ‘Most Successful Early Phase Research’ at the India Pharma World Awards in 2021. As at September 30, 2021, we had six DSIR-approved R&D centers that were operational, of which there is one NABL-certified pathology, and three biostudy centers with a total of 248 beds. We have also recently commissioned our seventh R&D center, and have another upcoming R&D center, both in Mumbai (Maharashtra). Our R&D centers have been approved by various regulators including US FDA and are supported by a team of more than 1,900 employees including qualified scientists and researchers, authorized to conduct in-house bioequivalence studies and prepare dossiers for filings. As at September 30, 2021, we had successfully obtained approvals for more than 3,700 product registrations, out of more than 5,300 applications made, including 181 abbreviated new drug applications (“**ANDAs**”) filed with the U.S. Food and Drug Administration (the “**USFDA**”) of which 80 have been approved, 14 have been tentatively approved, and 87 are under assessment. We have also filed 348 drug master files (“**DMFs**”) for active pharmaceutical ingredients (“**APIs**”) in various markets including the United States and EDQM, of which 224 are registered, as at September 30, 2021, and have filed 78 product-related applications with WHO, of which 65 have been qualified (“**WHO PQs**”) and 13 are pending approval, as at September 30, 2021.

Our operations are supported by eight manufacturing units in India. In addition, through a manufacturing agreement, we have access to a manufacturing unit in India that is owned and operated by Oxalis Labs, a Promoter Group entity, and through our Associate Company, PT Sampharindo Retroviral Indonesia, we have access to a manufacturing unit in Indonesia. Our eight manufacturing units produce a wide range of oral dosage forms and complex formulations such as topicals, injectables and inhalers, and have obtained approvals from various regulatory bodies, including the USFDA, the U.K. Medicines and Healthcare products Regulatory Agency (the “**MHRA**”), the European Directorate for the Quality of Medicines (the “**EDQM**”) and SAPHRA. See “– Description of our Business – Manufacturing Facilities and Approvals” on page 181. We also manufacture our own APIs primarily for products that we distribute outside India, achieving a degree of vertical integration and allowing us to control operating costs, quality and stability of essential raw materials for our formulations. We focus on undertaking measured expansion of our capacities in line with strategic product launches, resulting in the highest ROCE among our Peers as at March 31, 2021 (*Source: IQVIA Dataset*), of 66.05% based on our Pro Forma Consolidated Financial Information. Based on our Pro Forma Consolidated Financial Information as at September 30, 2021, we had a ROCE of 20.46%. We focus on building quality into our products through compliance with global regulatory standards as well as local and state laws. We also have in-house packaging material units enabling flexibility in conducting quality checks and quality control across various stages of our operations. We are also focused on sustainability in our operations through interventions in environment management, safety initiatives in our operations and occupational health and safety of our workforce, and have undertaken various initiatives relating to energy efficiency, renewable energy and water conservation to reduce our carbon footprint. We endeavour to regularly implement measures to manage and mitigate our impact on the environment through responsible business practices.

We have a professional and experienced management team led by our Promoters who have significant experience in the pharmaceutical industry. The experience of our management team has been critical in building brands and organically growing our operations through internal accruals, and fostering our strong financial performance as set forth in the table below, based on our Pro Forma Consolidated Financial Information:

Metric	As at/ for the year ended March 31,			As at/ for the six months ended September 30, 2021	CAGR (Fiscal 2019 to Fiscal 2021)
	2019	2020	2021		
	(₹ million, except percentages)				(%)
Revenue from operations	58,704.35	69,028.16	71,994.16	40,801.55	10.74
India	35,168.28	39,281.75	37,245.16	26,082.53	2.91
Outside India	23,536.07	29,746.41	34,749.00	14,719.02	21.51
EBITDA ⁽¹⁾	13,408.93	17,243.18	20,966.60	7,698.87	25.05
EBITDA Margin ⁽²⁾	22.84%	24.98%	29.12%	18.87%	12.91

Metric	As at/ for the year ended March 31,			As at/ for the six months ended September 30, 2021	CAGR (Fiscal 2019 to Fiscal 2021)
	2019	2020	2021		
	(₹ million, except percentages)				(%)
PAT	11,921.30	14,611.95	16,307.18	6,380.51	16.96
PAT Margin ⁽³⁾	20.31%	21.17%	22.65%	15.64%	5.60
ROCE ⁽⁴⁾	58.68%	65.49%	66.05%	20.46	6.09
Fixed Asset Turnover ⁽⁵⁾	6.10	6.68	5.69	2.78	

Notes:

1. EBITDA is calculated as profit before tax less other income, plus depreciation and amortization and finance costs.
2. EBITDA Margin is the percentage of EBITDA divided by revenue from operations.
3. PAT Margin is profit after tax as a percentage of revenue from operations.
4. ROCE (pre-tax) is calculated as EBIT divided by average Capital Employed, where Capital Employed is defined as the sum of fixed assets, other intangibles, goodwill, inventories, trade receivables, less trade payables. EBIT is defined as profit before tax less other income, plus finance costs.
5. Fixed Asset Turnover is calculated as revenue from operations divided by average fixed assets.

For a reconciliation of these Non-GAAP items, see "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 394.

Strengths

One of the Leading and Fast-Growing Companies with Significant Presence in the IPM

Our revenue from operations in India represented 51.73% and 63.93% of our total revenue from operations in Fiscal 2021 and the six months ended September 30, 2021, respectively. We are the 3rd highest among our Peers in terms of proportion of revenue from operations in India to total revenue from operations in IPM for Fiscal 2021 (Source: IQVIA Dataset).

We have outperformed the IPM with Domestic Sales growth at a CAGR of 15.3% from Fiscal 2011 to Fiscal 2021, compared to 10.8% sales growth of the IPM in the same period (Source: IQVIA Dataset). We are among the top 10 Indian pharmaceutical companies (by Domestic Sales) in Fiscal 2021. We have grown at a faster pace than the IPM, from Fiscal 2011 to Fiscal 2016, at a CAGR of 22.7% (by Domestic Sales), and our ranking in the IPM (by Domestic Sales) improved from 16th to 8th in the same period (Source: IQVIA Dataset). From Fiscal 2016 to Fiscal 2021, IPM recorded growth at a CAGR of 8.8% (by Domestic Sales), and we grew at a CAGR of 8.3%, maintaining our ranking in the IPM as the 8th largest pharmaceutical company in India (by Domestic Sales) in Fiscal 2021 (Source: IQVIA Dataset) notwithstanding the introduction of additional regulatory measures such as the fixed-dose combinations announcements and the inclusion of our products on the National List of Essential Medicines. Our Domestic Sales have grown by 31.6% in the six months ended September 30, 2021 compared to our Domestic Sales in the six months ended September 30, 2020 compared to the IPM which grew at 24.1% in the same period (Source: IQVIA Dataset). Our ranking in the IPM (by Domestic Sales) improved to 7th in the six months ended September 30, 2021 (Source: IQVIA Dataset). According to the IQVIA Dataset, we have also maintained our position as the 2nd largest company in the Covered Market in the IPM for five consecutive years (by Domestic Sales from Fiscal 2017 to Fiscal 2021). Our Covered Market represented 61.4% of the IPM by Domestic Sales in Fiscal 2021, indicating significant potential to expand our business (Source: IQVIA Dataset).

The table below sets forth the size of the Covered Market in the IPM for our Company and our Peers in the IPM.

Company	Covered Market as % of IPM (by Domestic Sales) Fiscal 2021
Sun Pharmaceuticals Industries Ltd.	74.9%
Cipla Ltd.	70.1%
Alkem Laboratories Ltd.	65.3%
Lupin Limited	71.6%
Torrent Pharma	59.6%
Macleods Pharmaceuticals Limited	61.4%
Zydus Cadila	73.8%

Dr Reddy's Laboratories	53.3%
IPCA Laboratories	42.7%
Eris Lifesciences	46.1%

Source: IQVIA Dataset comprising the IQVIA SSA March 2021 Dataset for Fiscal 2021

We have a diversified portfolio of products across leading therapies and were ranked amongst the top 10 in the Covered Market in 8 of the 10 leading therapies, in each case by Domestic Sales in Fiscal 2021 (Source: IQVIA Dataset).

Our focus has also led to faster growth of Domestic Sales from Fiscal 2017 to Fiscal 2021 in certain therapies as compared to the IPM, as set forth in the table below:

Therapeutic Area	Domestic Sales CAGR (Fiscal 2017 to Fiscal 2021)	
	IPM	Our Company
Anti- diabetic	12.3%	28.5%
Cardiovascular	11.1%	13.4%
Central Nervous System	9.5%	14.0%
Blood Related	10.9%	14.7%
Dermatology	10.8%	11.7%
Respiratory	6.2%	11.0%
Hormones	6.9%	10.4%

Source: IQVIA Dataset comprising the IQVIA SSA March 2021 Dataset for Fiscal 2021

In anti-diabetic, cardiovascular, and hormones we have grown faster than our Peers based on CAGR of Domestic Sales from Fiscal 2017 to Fiscal 2021 (Source: IQVIA Dataset).

The table below sets forth our position in the Covered Market by Domestic Sales for Fiscal 2021, across top 10 leading therapeutic segments of IPM (by Domestic Sales for Fiscal 2021):

Therapeutic Area	Our Company's rank in Fiscal 2021 (by Domestic Sales)
Cardiovascular	7
Gastrointestinal	7
Anti-Diabetic	11
Anti-Infectives	3
Vitamins/ Minerals/ Nutrients	14
Dermatology	1
Respiratory	6
Pain/ Analgesics	3
Central Nervous System	3
Gynaecology	9

Source: IQVIA Dataset comprising the IQVIA SSA March 2021 Dataset for Fiscal 2021

We have increased our focus on chronic therapies, which represented 30.7%, 31.8%, 35.6%, and 36.5%, of our total Domestic Sales in Fiscal 2019, 2020, 2021, and in the six months ended September 30, 2021, respectively (Source: IQVIA Dataset). Our chronic therapy Domestic Sales grew at a CAGR of 12.9% from Fiscal 2017 to 2021, has outpaced that of the IPM which was 10.9% in the same period (Source: IQVIA Dataset). This has also led to a total Prescribers' Share of 61.4% for our Company, with prescriber share among general practitioners and specialists of 64.7% and 59.6%, respectively, each for the year ended September 30, 2021 (Source: IQVIA Dataset).

The table below sets forth the contribution and growth of Domestic Sales for chronic therapies for our Company and certain Peers in the IPM.

Company ⁽¹⁾	Contribution of Chronic to Total Domestic Sales		CAGR of Domestic Sales (Chronic Portfolio) Fiscal 2017 – Fiscal 2021
	Fiscal 2017	Fiscal 2021	
Sun Pharmaceuticals Industries Ltd.	50.1%	53.6%	9.4%
Cipla Ltd.	51.7%	58.2%	11.8%
Lupin Limited	57.3%	67.1%	14.6%

Company ⁽¹⁾	Contribution of Chronic to Total Domestic Sales		CAGR of Domestic Sales (Chronic Portfolio) Fiscal 2017 – Fiscal 2021
	Fiscal 2017	Fiscal 2021	
Torrent Pharma	59.6%	59.6%	7.6%
Macleods Pharmaceuticals Limited	29.0%	35.6%	12.9%

Source: IQVIA Dataset comprising the IQVIA SSA March 2021 Dataset for Fiscal 2017 to Fiscal 2021

(1) Top 5 companies (among Peers) based on value for Fiscal 2021

The table below sets forth the growth of Prescribers Share from the year ended September 30, 2017 to the year ended September 30, 2021, by type of practitioner in the IPM.

Particulars	CAGR of Prescribers Share	
	IPM	Our Company
Overall	1.7%	4.5%
General Practitioners	1.2%	5.6%
Other Specialities	2.0%	4.0%

Source: IQVIA Dataset, IQVIA Medical Audit September 2021 Dataset (for MAT from Fiscal 2017 and Fiscal 2021); IQVIA Medical Audit limited to Metros and Class 1 and 1A towns; and General Practitioners includes both MBBS and non-MBBS General Practitioners

As at September 30, 2021, we had a sales and marketing team of more than 6,300 personnel engaged in our operations in India, including more than 4,900 medical representatives. Through our sales and distribution efforts, Domestic Sales per medical representative per month in India was ₹ 0.60 million, ₹ 0.68 million, ₹ 0.70 million and ₹ 0.90 million, in Fiscals 2019, 2020, and 2021 and in the six months ended September 30, 2021, respectively. We have a well distributed presence across India, with Domestic Sales from non-metro cities representing 80.0% of our total Domestic Sales in Fiscal 2021, higher than 70.0% as recorded for the IPM (Source: IQVIA Report), indicating our strong presence across high-growth markets in India. We have also strengthened our digital presence through various initiatives to help connect physicians with other specialists. This initiative also connects our field force to engage with medical practitioners online. For further information on our digital marketing initiatives, see “ – Marketing and Distribution” on page 185.

Proven Track Record of Building Brands

We have demonstrated capabilities in building brands and had a portfolio of 595 brands in the IPM between Fiscal 2017 and Fiscal 2021 (Source: IQVIA Dataset).

- Our top brand Panderm++, a dermatology formulation grew at a CAGR of 52.1% (by Domestic Sales) from Fiscal 2019 to Fiscal 2021. It crossed ₹ 1 billion in Domestic Sales in Fiscal 2021, driving our ranking to 1st in the molecular group of Clobetasol + Miconazole + Neomycin in the IPM by Domestic Sales, within three years from launch of the brand (Source: IQVIA Dataset).
- IT-MAC, a dermatology formulation launched in 2015, had the 2nd highest market share of 14.8% in the molecular group Itraconazole (by Domestic Sales) in Fiscal 2021, an increase from a market share of 13.5% in Fiscal 2017 (by Domestic Sales) (Source: IQVIA Dataset).
- Geminor-M, our first anti-diabetic product that we launched in 2008 in the widely used therapeutic category in India, has grown to become the 8th largest in the oral hypoglycemic agent (“OHA”) market of Glimiperide + Metformin (by Domestic Sales) in Fiscal 2021 (Source: IQVIA Dataset). Domestic Sales of Geminor-M has grown at a CAGR of 24.3% from Fiscal 2017 to Fiscal 2021 compared to a CAGR of 10.4% of the molecular group in the same period (Source: IQVIA Dataset).
- Thyrox, one of our flagship brands, ranked 3rd in the molecular group of Levothyroxine with a market share of 21.2% in the Levothyroxine market (by Domestic Sales) in Fiscal 2021 (Source: IQVIA Dataset).

Similarly, our other brands Defcort for hormone therapies (steroids), Meromac an anti-infective, Trenaxa a formulation to prevent bleeding, Amlovas AT and Olmesar for cardiovascular therapies, have outperformed their respective molecular group in terms of CAGR of Domestic Sales from Fiscal 2017 to Fiscal 2021 (Source: IQVIA Dataset).

The table below sets out the ranking of our top 20 brands in their respective molecular groups in the IPM, based on Domestic Sales in Fiscal 2021:

Therapy Area	Our Brands	Our Rank (by Domestic Sales in Fiscal 2021)	Domestic Sales CAGR (Fiscal 2017 – Fiscal 2021)	
			Our Company	Molecular Group in the IPM
Dermatology	Panderm ++ ⁽¹⁾	1	52.1%	22.1%
Hormones	Thyrox	3	16.8%	10.3%
Dermatology	IT-Mac	2	27.3%	24.3%
Hormones	Omnacortil	2	5.4%	8.6%
Anti-Diabetic	Geminor-M	8	24.3%	10.4%
Hormones	Defcort	1	7.9%	3.0%
Anti-Infectives	Meromac	2	14.8%	10.8%
Urology	Megalis	1	10.9%	11.2%
Cardiovascular	Olmesar	1	10.7%	4.9%
Gastrointestinal	Rabemac-DSR	5	8.0%	9.6%
Blood-Related	Trenaxa	1	15.7%	12.8%
Pain / Analgesics	Bio-D3 Plus	2	2.1%	-0.2%
Pain / Analgesics	Bio-D3 Max	3	6.2%	-0.2%
Anti-Infectives	Tazomac	2	8.3%	8.3%
Cardiovascular	Amlovas-AT	5	9.7%	8.2%
Respiratory	Budetrol	4	12.6%	15.0%
Anti-Infectives	Sensiclav	7	1.9%	7.1%
Cardiovascular	Triolmesar	1	14.4%	9.9%
Cardiovascular	Rosumac Gold	2	28.0%	49.9%
Cardiovascular	Amlovas	5	5.9%	5.4%

Source: IQVIA Dataset comprising the IQVIA SSA March 2021 Dataset for Fiscal 2017 to Fiscal 2021

Note: (1) CAGR for Panderm++ is from Fiscal 2019 to Fiscal 2021, as the brand was launched in Fiscal 2019

Our top 20 brands (by Domestic Sales in Fiscal 2021) include 10 brands each for chronic and acute therapies, and that together contributed 34.4% of our total Domestic Sales in Fiscal 2021 (Source: IQVIA Dataset). All of these top 20 brands rank among the top 10 in their respective molecular groups (by Domestic Sales in Fiscal 2021).

Our top 20 molecules which comprise various brands represented 41.5% of our total Domestic Sales for Fiscal 2021 (Source: IQVIA Dataset). Furthermore, 18 out of 20 molecules rank amongst the top 5 in their respective molecular groups in terms of Domestic Sales for Fiscal 2021 (Source: IQVIA Dataset).

In Fiscal 2021, 14 brands of our 595 brands earned more than ₹ 500 million in Domestic Sales (Source: IQVIA Dataset). In Fiscal 2021, Thyrox along with our other brand Panderm++, were amongst the top 100 brands in the IPM based on Domestic Sales (Source: IQVIA Dataset). These two brands along with five others, Omnacortil, Meromac, IT-mac, Defcort and Geminor-M, were amongst the top 300 brands based on Domestic Sales in the IPM in Fiscal 2021 (Source: IQVIA Dataset). Additionally, 46 of our top 50 brands ranked among the top 10 in their respective molecular groups by Domestic Sales for Fiscal 2021, and sales from these molecular groups represented 53.1% of our Domestic Sales in Fiscal 2021 (Source: IQVIA Dataset).

The table below sets forth the number of our brands that recorded Domestic Sales in excess of ₹ 500 million for the periods indicated:

Fiscal Year	Number of Brands above ₹ 500 million in Domestic Sales
2017	6
2018	8
2019	9
2020	15
2021	14

Source: IQVIA Dataset comprising the IQVIA SSA March 2021 Dataset for Fiscal 2017 to Fiscal 2021

Our ability to create and scale brands is reflected in the growth of our top 10 brands as a proportion of our total Domestic Sales, that had a CAGR of 19.9% from Fiscal 2017 to Fiscal 2021 as compared to a CAGR of 11.9% of the IPM in the same period, as set forth below:

Particulars	Domestic Sales of Top 10 brands CAGR (Fiscal 2017 to Fiscal 2021)
IPM	11.9%
Our Company	19.9%
Peer 1	11.3%
Peer 2	16.3%
Peer 3	9.8%
Peer 4	20.2%
Peer 5	10.4%
Peer 6	9.4%
Peer 7	10.6%
Peer 8	18.0%
Peer 9	11.4%

Source: IQVIA Dataset comprising the IQVIA SSA March 2021 Dataset for Fiscal 2017 to Fiscal 2021

The various new brands that we have launched in the last three Fiscals, such as Vildamac and Vildamac M, in established molecule groups of Vildagliptin and Vildagliptin+Metformin in the anti-diabetic market have also acquired market share in the IPM (Vildamac comprised 7.3% of the Vildagliptin market, and Vildamac M comprised the highest market share of 8.6% of the Vildagliptin+Metformin market, in the non-innovator brands (by Domestic Sales) in the six months ended September 30, 2021 (Source: IQVIA Dataset). Other recently launched brands such as Dapamac and Damita, in the Dapagliflozin molecular group have together emerged as the 4th largest, in the non-innovator branded market (by Domestic Sales in the six months ended September 30, 2021) (Source: IQVIA Dataset), illustrating our ability to build scalable brands within relatively short durations.

We also leverage our brand strength and leadership positions in our key therapeutic areas to launch related products and penetrate into adjacent therapeutic areas, enabling us to optimize use of resources that would otherwise be required in the launch of entirely new products.

Diversified Presence across Global Markets with Calibrated Business Model

Our operations are diverse in terms of geography, product portfolio, and business model, with revenue from operations outside India representing 48.27% and 36.07% of our total revenue from operations, in Fiscal 2021 and the six months ended September 30, 2021, respectively. We have historically leveraged our product portfolio and dossiers for the US and European markets to enter emerging markets based on our assessment of such markets.

We distribute our products across more than 170 countries through differentiated business models for each of our key markets which helps us leverage the characteristics of each market, including its regulatory landscape, market size, competitive landscape and scope for our products, and helps reduce dependency on a particular model, leading to our profitable international business. We are present internationally through subsidiaries, an associate, branch offices, and field force in various countries, and as at September 30, 2021, had a direct presence in more than 25 countries outside India including through more than 200 employees. We also distribute products outside India through arrangements with distributors and local partners who license our dossiers for product registrations in their respective countries for marketing purposes.

Our primary markets outside India include the United States and South Africa. We are present in the United States through a subsidiary, and a majority of our actively marketed molecules and salts in the region rank among the top five in terms of total amount of packages sold of a particular drug to the dispensing outlet/ chain/ hospital in the year ended September 30, 2021 (Source: IQVIA Dataset). We also have subsidiaries in the United Kingdom, Spain, Ukraine, South Africa, Nigeria, Malaysia, Russia, and Philippines. We are present in Indonesia through our associate and through our own teams in East Africa, Myanmar, Sri Lanka and Nepal. To gain access to newer markets, we usually enter into distribution arrangements than setting up direct presence. As a manufacturer of generic medicines, we are able to compete effectively in the United States of America, while maintaining lean operations, leveraging dossier

filings in other markets, and deepening our engagements with our customers in the region. Our operations in South Africa have been driven by the market for essential medicines such as anti-TB and ARV products. We have a direct presence in other markets such as Ukraine through our own team which acts as a catalyst in our ability to participate in tenders. These markets have presented us with opportunities to grow our business based on regulatory approvals, vertical integration, and strategic product launches. As a result, revenue from operations outside India grew at a CAGR of 21.51% from Fiscal 2019 to Fiscal 2021.

We also have a strong presence in CIS ranking 3rd in Ukraine and 6th in Kazakhstan among Indian-origin pharmaceutical companies, in terms of MAT sales at ex-manufacturer level (in USD) for each of the years ended March 31, 2021 and September 30, 2021 (*Source: IQVIA Dataset*). In West Africa our rank improved from 11th in the year ended March 31, 2021 to 8th in the year ended September 30, 2021, among Indian-origin pharmaceutical companies in terms of MAT sales at ex-manufacturer level (in USD). (*Source: IQVIA Dataset*).

Our presence across varied markets is supported by our product registrations as set forth in the table below:

Market	Product Registrations as at September 30, 2021		
	Total Applications Submitted	Approved	Pending
United States	181 ANDAs ⁽¹⁾	80	101 ⁽²⁾
Europe	351	242	110
South East Asia (Including Taiwan, China and South Korea)	565	391	174
Emerging Markets ⁽³⁾			
Africa	1,602	1,015	587
CIS	319	264	55
Latin America	567	414	153
Total Emerging Markets	2,488	1,693	795
South Africa	113	52	61
Australia/ New Zealand	18	17	1
Canada	44	30	14
MENA	232	144	88
India	1,042	992	50
WHO	78	65	13
Total	5,397	3,704	1,693

Note:

(1) Includes Para IV filings

(2) 14 Products have tentative approval

(3) Emerging Markets comprises Africa, CIS, and Latin America

As at September 30, 2021, we had 181 ANDAs filed with the USFDA of which 80 were approved, 14 were tentatively approved and 87 were under assessment. We had also filed 348 DMFs in various markets including the United States and EDQM, of which 224 are registered, as at September 30, 2021.

Environmental, Social and Governance (“ESG”) Focused, Including Extensive Involvement in Global Access

We have emphasized aligning our operations with sustainability and ESG objectives. Due to our focus on sustainable manufacturing operations, we have been able to obtain approvals from global regulators and international accreditations, including from the USFDA. We have implemented various energy conservation measures at our manufacturing facilities including installation of solar panels and effluent treatment plants.

We are also committed to providing accessible and affordable therapeutics in multiple dosage forms to an extensive patient base to improve their quality of life. To this end, we have established a major presence in South East Asia and emerging markets of Sub-Saharan Africa through our anti-TB, ARV and anti-malarial therapies, and in CIS and Latin America regions through anti-TB and ARV therapies.

To increase the efficacy of our products in line with our commitment to improve quality of life, we produce a range of therapies within anti-TB formulations, including 3HP to treat latent TB infections, 2 and 4-drug fixed dose combinations (“2FDC” and “4FDC” respectively). We have the highest number of WHO pre-qualified products globally with 65 registrations, and the highest number of WHO pre-qualified anti-TB product registrations with 32

registrations, as at December 31, 2021 (*Source: IQVIA Report*). Leveraging our presence in anti-TB products, we forayed into ARV and anti-malaria products. We have also developed products to treat Advanced HIV Diseases such as Cryptococcal Meningitis, and products for treatment of other opportunistic infections. Globally (excluding North America and Europe) our Company ranks 5th in anti-TB and 9th in anti-HIV therapies (*Source: IQVIA Dataset*), and 2nd in anti-TB and 3rd in ARV therapies (among Indian-origin companies) by Standard Units sold in the year ended September 30, 2021. We supply a range of formulations in anti-TB, anti-HIV and anti-malarial therapies in the Sub-Saharan region, and as a major supplier of these products to certain institutions and national agencies, we operate at global scale capacities, which we believe is difficult to replicate, and creates significant barriers for new entrants.

We are equally focused on the social aspects of our business and have undertaken various community engagements such as promoting livelihood enhancement projects at our facilities. We also undertake various initiatives to improve access to healthcare and education that we promote through the Macleods Social Welfare Foundation.

R&D-Led Differentiated Portfolio of Products

As at September 30, 2021, we operated six DSIR-approved R&D centres for a range of development activities, including API, formulations research, and analytical development, led by a team of more than 1,900 employees including researchers and qualified scientists. We have recently opened our seventh R&D centre and have another upcoming R&D centre, both in Mumbai (Maharashtra). As at September 30, 2021, we have one NABL-certified pathology in Mumbai, and three biostudy centres in Mumbai (Maharashtra) and Ahmedabad (Gujarat) with an aggregate of 248 beds. As at September 30, 2021, we had successfully obtained approvals for more than 3,700 product registrations, out of more than 5,300 applications made, including 181 ANDAs filed with the USFDA of which 80 have been approved, 14 have been tentatively approved, and 87 are under assessment. We have also filed 348 DMFs for APIs in various markets including the United States and EDQM, of which 224 are registered, as at September 30, 2021, and have filed 78 product-related applications with WHO, of which 65 have been qualified (“**WHO PQs**”) and 13 are pending approval, as at September 30, 2021.

Our R&D activities are focused on improving efficacy of our products through key innovations such as ‘3HP’, a fixed drug combination of Rifapentine and Isoniazid for treatment of latent TB infections. This combination drug is targeted to increase patient compliance to the treatment regime as it curbs the active TB infections by limiting use of multiple drugs, reduces dosage frequency and volume, thereby helping achieve increased treatment completion rate. Other product developments include Rabemac-DSR, an NDDS using a combination of a proton pump inhibitor and sustained release Domperidone using 3-way technology to ensure continuous release of Domperidone. For further information on our product developments, see “ – *Description of our Business – Research and Development – Product Development*” on page 179. Our R&D-driven product developments have led to a differentiated portfolio of products across acute and chronic therapeutic segments with NDDS. Our key formulations include anti-infectives, respiratory, cardiovascular, anti-diabetic, dermatologic, gastrointestinal, hormone treatment, analgesics, gynaecological, and nutritional supplements. Within these therapies, we manufacture multiple dosage forms including soft-gelatin capsules, topicals, inhalers, and injections, for effective drug delivery. Our R&D expenses represented 4.64%, 4.13%, 4.29% and 4.59% of our revenue from operations in Fiscals 2019, 2020, 2021 and in the six months ended September 30, 2021, respectively, and 11.57%, 9.58%, 8.88%, and 12.71% of revenue from operations outside India, in such periods, respectively.

We are integrated in terms of our R&D operations through our R&D centres involved in formulation development, API development, and analytical development, our biostudy centres, clinical trial management team, pharmacovigilance department, and regulatory team, which enable us to conduct bioequivalence studies in-house and obtain cost-effective and faster approvals for our products. By integrating our regulatory team with our R&D operations, we make timely applications for approvals and registrations, as indicated by our track record of approvals.

Diversified and quality-compliant manufacturing capabilities

Our operations are supported by eight manufacturing units in India. In addition, through a manufacturing agreement, we have access to a manufacturing unit in India that is owned and operated by a Promoter Group entity, and through our Associate Company, PT Sampharindo Retroviral Indonesia, we have access to a manufacturing unit in Indonesia, and intend to further expand our capabilities and capacities. Our existing facilities are located across regions in India, with one unit in Baddi (Himachal Pradesh) in the North, one unit in Sikkim in the East, five units across Sarigam (Gujarat), Daman (Gujarat) and Palghar (Maharashtra) in the West, and one unit in a special economic zone in Indore

(Madhya Pradesh) in Central India. In addition, we have two upcoming units in India at Jammu (one for API and one for finished formulation products) and at Dahej (for API and KSM). We are also expanding our capacity at our Sikkim and Indore units. Our existing facilities are capable of producing a wide range of formulations in multiple dosage forms, including oral solids (tablets and capsules including soft gelatin capsules), oral liquids, dry syrups, topicals, granules, inhalers and aerosols, and injectables. We are a vertically integrated company, and API produced at our facilities represented 21.75% of our total purchases in Fiscal 2021. Manufacturing our own APIs has helped us attain vertical integration, allowing us to source APIs effectively, with control over the operating costs, quality and security of essential raw materials. As a result, most of our products that are manufactured using in-house API have complied with quality standards despite introduction of new stringent quality standards such as limits for nitrosamine impurities.

Our facilities are subject to inspections and audits by regulators and institutions such as USFDA, MHRA, MOH, Malaysia, EDQM and SAPHRA and WHO that are conducted periodically. We have been in compliance with the requirements and standards of such regulators and institutions. In 2017, the US FDA inspected our unit in Baddi based on which we received an ‘Untitled Letter’ dated December 31, 2018 with a few observations, other than this there are no material pending adverse observations as at September 30, 2021. We focus on building quality into our products through compliance with global regulatory standards as well as local and state laws, and have our own packaging material units in Daman, Baddi and Sikkim, enabling greater quality control across key stages of production. We implement cGMPs across each of our manufacturing facilities, which are monitored by a quality management system encompassing key areas of business processes from R&D and raw material procurement to manufacturing, packaging and delivery.

We undertake measured expansion of our capacities in line with strategic product launches, resulting in the highest ROCE among our Peers as at March 31, 2021 (*Source: IQVIA Dataset*), of 66.05% based on our Pro Forma Consolidated Financial Information. Based on our Pro Forma Consolidated Financial Information as at September 30, 2021, we had a ROCE of 20.46%. We plan our capital expenditure in advance and have incurred expenditure for ongoing capacity addition at our existing facilities and for construction of new facilities. In Fiscal 2019, 2020, 2021, and in the six months ended September 30, 2021, our capital expenditure towards additions to property, plant and equipment, amounted to ₹ 1,109.58 million, ₹ 2,504.26 million, ₹ 4,673.58 million, and ₹ 1,556.24 million, respectively. For further information on our capacity additions, see “ – *Strategies – Capacity Expansion and Further Backward Integration*” on page 173.

Experienced, Professional and Stable Management Team

Each of our Promoters has significant experience in the pharmaceutical industry. They lead a management team with industry experience. Our senior management is managed by our Board that comprises senior executives with experience in pharmaceutical companies and business administration roles. For further information, see “*Our Management*” on page 210.

Strong Financial Track Record

We have organically grown our operations through internal accruals, fostering our strong financial performance as set forth in the table below based on our Pro Forma Consolidated Financial Information:

Metric	As at/ for the year ended March 31,			As at/ for the six months ended September 30, 2021	CAGR (Fiscal 2019 to Fiscal 2021)
	2019	2020	2021		
	(₹ million, except percentages)				(%)
Revenue from operations	58,704.35	69,028.16	71,994.16	40,801.55	10.74
India	35,168.28	39,281.75	37,245.16	26,082.53	2.91
Outside India	23,536.07	29,746.41	34,749.00	14,719.02	21.51
EBITDA ⁽¹⁾	13,408.93	17,243.18	20,966.60	7,698.87	25.05
EBITDA Margin ⁽²⁾	22.84%	24.98%	29.12%	18.87%	12.91
PAT	11,921.30	14,611.95	16,307.18	6,380.51	16.96
PAT Margin ⁽³⁾	20.31%	21.17%	22.65%	15.64%	5.60
ROCE ⁽⁴⁾	58.68%	65.49%	66.05%	20.46%	6.09

Metric	As at/ for the year ended March 31,			As at/ for the six months ended September 30, 2021	CAGR (Fiscal 2019 to Fiscal 2021)
	2019	2020	2021		
	(₹ million, except percentages)				(%)
Fixed Asset Turnover ⁽⁵⁾	6.10	6.68	5.69	2.78	

Notes:

1. EBITDA is calculated as profit before tax less other income, plus depreciation and amortization finance costs, .
2. EBITDA Margin is the percentage of EBITDA divided by revenue from operations.
3. PAT Margin is profit after tax as a percentage of revenue from operations.
4. ROCE (pre-tax) is calculated as EBIT divided by average Capital Employed, where Capital Employed is defined as the sum of fixed assets, other intangibles, goodwill, inventories, trade receivables, less trade payables. EBIT is defined as profit before tax less other income, plus finance costs.
5. Fixed Asset Turnover is calculated as revenue from operations divided by average fixed assets.

For a reconciliation of these Non-GAAP items, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 394.

The table below sets forth key financial information of our peers in the IPM, for the periods indicated:

Particulars	Revenue Growth CAGR (Fiscal 2019 to 2021)	EBITDA Margin			PAT Margin			ROCE (Pre-tax)			Fixed Asset Turnover (Times)			R&D Expenditure as % of Sales			Share of Revenue from India (%)
		Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2021
Peer 1	7%	22%	21%	25%	9%	11%	9%	14%	14%	18%	3.0x	3.2x	3.2x	7%	6%	6%	33%
Peer 2	8%	19%	19%	22%	9%	9%	13%	12%	13%	21%	3.1x	3.3x	3.8x	7%	7%	5%	40%
Peer 3	10%	15%	18%	22%	10%	14%	18%	23%	25%	30%	3.7x	3.8x	3.9x	6%	6%	6%	66%
Peer 4	-5%	17%	15%	17%	4%	-2%	8%	11%	9%	12%	3.4x	3.3x	3.5x	9%	10%	9%	35%
Peer 5	2%	26%	27%	31%	6%	13%	16%	15%	17%	20%	2.9x	2.8x	2.9x	8%	6%	6%	50%
Peer 6	7%	23%	20%	22%	14%	8%	14%	18%	12%	16%	3.0x	2.7x	2.7x	6%	6%	6%	43%
Peer 7	11%	21%	14%	20%	13%	12%	10%	12%	10%	18%	3.1x	3.6x	4.0x	9%	8%	8%	22%
Peer 8	20%	18%	19%	28%	12%	25%	11%	16%	20%	35%	2.1x	2.5x	2.8x	3%	2%	3%	48%
Peer 9	11%	35%	34%	36%	30%	28%	29%	37%	34%	39%	18.2x	15.1x	14.7x	0.4%	0.4%	0.4%	100%

Source: IQVIA Dataset, based on filings of consolidated financials made by the respective companies with stock exchanges

Notes:

- (1) EBITDA is calculated as profit before tax for the period, plus finance cost and depreciation and amortization, less other income
- (2) ROCE is calculated as EBIT divided by average Capital Employed, where Capital Employed is defined as the sum of fixed assets, other intangibles, goodwill, inventories, trade receivables, less trade payables
- (3) Fixed Asset Turnover is calculated as revenue from operations divided by the average fixed assets

The table below sets forth key financial information of our Company based on Proforma Consolidated Financial Information, for the periods indicated:

Particulars	Revenue Growth CAGR (Fiscal 2019 to 2021)	EBITDA Margin			PAT Margin			ROCE (Pre-tax)			Fixed Asset Turnover (Times)			R&D Expenditure as % of Sales			Share of Revenue from India (%)
		Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2021
Macleods Pharmaceutical Limited	10.74 %	22.84%	24.98%	29.12%	20.31%	21.17%	22.65%	58.68%	65.49 %	66.05 %	6.10x	6.68x	5.69x	4.64%	4.13%	4.29%	51.73%

Strategies

Strengthen our Position in the Indian Pharmaceutical Market

We continue to seek to increase our market share and strengthen our position in the IPM. We propose to achieve this by focusing on certain key brands, strengthening our presence in new therapies, and launching products in high-growth segments. We also intend to expand our distribution network and refine our institutional business in India.

Building Bigger Brands, Launching New Products and Brands, and Strengthening Therapies with a Chronic Focus: We intend to strengthen our brands that generated less than ₹ 500 million in Domestic Sales in Fiscal 2021 with focussed brand building strategies. These include establishing distinct divisions for such brands that will be responsible for development, marketing and distribution, expansion of our network of medical representatives, increased focus on our institutional business, and programs to increase overall awareness of chronic and lifestyle related disorders.

We also intend to launch new products in therapeutic categories such as dermatology, anti-infectives, respiratory and gastrointestinal segments. In addition, we propose to enter into and expand our presence in newer therapies such as nephrology and urology. We propose to launch new divisions to help access and strengthen our presence in newer therapeutic categories such as a range of nutraceuticals for lifestyle related disorders and haematinics. We are pursuing opportunities for a range of simple to complex high-value generics in critical care segments of nephrology, urology, parenteral anti-infectives, and a broad spectrum of anti-fungals.

Furthermore, cardiovascular and anti-diabetic therapies, which are the major therapies for IPM are expected to grow at a CAGRs between 12%-13% and 10%-11%, respectively, from Fiscal 2021 to 2026 (*Source: IQVIA Report*), and we intend to develop and launch new products in these therapeutic areas.

Expand Network of Medical Representatives: To increase the penetration of our products in the domestic market and generate revenue from new therapeutic categories, we intend to expand our network of medical representatives as well as make strategic hires to deepen engagements in select markets such as tier 2 and 3 cities, rural and semi-rural parts of India where we believe there is significant growth potential for our products. In particular, we propose to adopt a more targeted approach for such representatives and increase their engagements with physicians, paediatricians, cardiologists, endocrinologists, gynaecologists, orthopaedicians, neurologists, gastroenterologists, urologists, and nephrologists.

Refine Institutional Business: We also intend to refine our institutional business model by engaging with private hospitals and corporate healthcare providers that have steadily gained considerable market share in tier 1 cities and urban areas. In line with product launches and developments in new therapies, we propose to carry out disease detection drives to raise awareness for chronic and lifestyle related diseases. Through planned patient centric programs in the areas of diabetic, respiratory disorders, gynaecology, dermatology, cardiovascular ailments, and neuropsychiatry, we seek to increase visibility of our brands and products.

Significant R&D Investment with a Focus on Chronic Segment

We have emerged amongst the top 10 companies in 8 of the top 10 leading therapies (by Domestic Sales in Fiscal 2021) in the Covered Market, and have consistently ranked 2nd in our Covered Market in the IPM since Fiscal 2017 to Fiscal 2021, in each case by Domestic Sales (*Source: IQVIA Dataset*). As the Covered Market represents 61.4% of the IPM (*Source: IQVIA Dataset*), we believe we can gain additional market share through expansion of our product portfolio. We intend to pursue this opportunity and introduce new products and therapies in our portfolio to expand our Covered Market.

To achieve this, we intend to continue to invest in our R&D initiatives to grow our differentiated product portfolio for both the domestic and international markets. We expect to continue to make investments in formulations and APIs for high-growth therapeutic areas, and in the development, production and commercialization of NDDS:

R&D Infrastructure. We have recently opened a new R&D centre in Mumbai (Maharashtra) that will focus on oncology and have another upcoming R&D centre in Mumbai for formulation development and analytical testing. Our R&D expenses represented 4.64%, 4.13%, 4.29% and 4.59% of our revenue from operations in Fiscal 2019, 2020, 2021 and in the six months ended September 30, 2021, respectively. We endeavour to maintain this proportion of R&D spend as we further scale our operations.

Product Portfolio. In order to expand our Covered Market, we intend to develop new products and enter new high-growth therapeutic areas such as nephrology, urology, oncology, nutraceuticals and haematinics. We intend to develop oncology formulations for our international markets, oncology being the largest therapy market contributing to approximately 22% of the total formulations market in calendar year 2020 (*Source: IQVIA Report*). As such, intend to set-up an API facility for oncology therapies and a GMP facility for oncology formulations at Indore (Madhya Pradesh). We also propose to set-up a unit for manufacturing injectables in Indore. We are also focusing on peptides synthesis and formulations for molecules like Linaclotide, Semaglutide and Liraglutide.

Drug Delivery Systems. We will continue to focus our R&D initiatives on developing new drug delivery systems, including peptides, injectables including devices like pens, and MDIs.

Capacity Expansion and Further Backward Integration

As we introduce newer products with a focus on chronic therapies, we expect to carry out measured expansion of our capacities from time to time. We also intend to utilize such expanded capacities to meet the demand for our existing products. For details on our capacity utilization, see “ – *Description of Business – Manufacturing Facilities and Approvals – Capacity and Capacity Utilization*” on page 182. We intend to expand our manufacturing capacities to cater to such demand, with a focus on improving vertical integration to achieve greater control over our product quality, supply chain and operating costs, by establishing new facilities at Jammu, Dahej (Gujarat) and expansion at Indore and Sikkim.

We intend to manufacture APIs at the facilities in Jammu and Dahej as part of our efforts to further control raw material input and reduce reliance on third-party suppliers. Our upcoming facility in Jammu is for fermentation-based production of rifampicin, an API primarily used in treating TB, has also been approved under the first production-linked incentive scheme (“**PLI Scheme**”), and we have been approved under the second PLI Scheme for manufacturing anti-diabetic, anti-infective, and cardiovascular products, launched by the Department of Pharmaceuticals, Indian Ministry of Chemicals and Fertilisers. The PLI Schemes entitle eligible manufacturers to receive certain financial incentives over a period of 6 years, on meeting certain sales and investment targets based on the product-category. Our greenfield unit at Jammu is proposed to manufacture finished formulation products such as tablets, capsules, oral liquid and soft gelatin capsules, and our planned expansion in Sikkim is for liquid vials and ampoules, tablets, oral liquids and capsules. We propose to manufacture API and finished formulation products for oncology, at our unit in Indore, and also intend to set-up an injectables facility for production of liquid vials, lyophilized vials and devices like pens at Indore.

We also have access to a third-party manufacturing unit in Indonesia through our Associate Company, PT Sampharindo Retroviral Indonesia. Through this arrangement, we access the ARV market in Indonesia. We expect our new facilities to accelerate filings of ANDAs for approvals and product launches. We intend to make investments in formulations and APIs for high-growth therapeutic areas, and further integrate our operations to enhance our operating leverage and margins.

Leverage Front-End Presence in Geographies with a Strategic Go-to-Market Approach

As at September 30, 2021, we had a direct presence in more than 25 countries through our Subsidiaries, an associate, branch offices, and sales personnel. We intend to expand our direct presence in select geographies to remain margin accretive and act as a catalyst to deepen engagements to efficiently scale our distribution reach in new markets.

Institutional Business: We operate at global scales for our institutional business and intend to further integrate our API and formulations production by setting-up API manufacturing facilities, to continue to improve our gross margins by reducing raw material input costs. We will also continue to offer a wide range of high-quality products across these funded opportunities.

United States and Europe: As with our institutional business, we intend to strengthen our vertically integrated operations for products distributed to the United States, to continue growing our international operations. We intend to launch new products in existing and new therapies based on ANDA approvals that have been filed, including for drug delivery systems such as peptides and MDIs, and therapies such as oncology. Through our strategic go-to-market approach, we expect to leverage the dossiers we have filed in the US markets in select geographies of Europe, United Kingdom, Spain, Canada, Australia and New Zealand.

Africa (Sub-Saharan and South Africa): We continue to file product registrations in these markets and launch products once we obtain the registrations. We also intend to strengthen our direct presence in these markets by growing our sales teams.

Asia, Latin America and CIS: We propose to grow our direct presence in these markets with front-end operations in Malaysia, Philippines, Chile and Jamaica, and stronger sales promotion teams in Ukraine, Uzbekistan and Kazakhstan. We may also pursue strategic tie-ups in Russia and Uzbekistan to establish a direct presence in these regions.

We continue to participate in tenders and seek opportunistic tie-ups with distributors and out-licensing arrangements. To grow our direct presence, we have entered into an arrangement in Indonesia for access to the ARV market and a manufacturing unit in the region, which we also intend to capitalize on for tender opportunities in the region. We similarly intend to evaluate other collaboration opportunities in select countries within the APAC region.

Description of our Business

We develop, manufacture, and globally distribute a broad range of pharmaceutical products across therapies in multiple dosage forms.

The following table sets forth a breakdown of sales in India and outside India, for the periods indicated, based on our Restated Consolidated Financial Information:

	Fiscal						Six Months ended September 30, 2021	
	2019		2020		2021			
	(₹ million, except percentages)							
Revenue from operations in India	35,168.28	59.91%	39,281.75	56.91%	37,245.16	51.73%	26,082.53	63.93%
Revenue from operations outside India	23,536.07	40.09%	29,746.41	43.09%	34,749.00	48.27%	14,719.02	36.07%
Total Revenue from Operations	58,704.35	100.00%	69,028.16	100.00%	71,994.16	100.00%	40,801.55	100.00%

The table below sets forth our position in the Covered Market by Domestic Sales for Fiscal 2021 across the top 10 leading therapeutic segments of IPM:

Therapeutic Area	Our Company's rank in Fiscal 2021 (by Domestic Sales)	Company's sales in Fiscal 2021 (Rs million)	% to total domestic sales
Cardiovascular	7	7,015	16.9%
Gastrointestinal	7	2,479	6.0%
Anti-Diabetic	11	2,693	6.5%
Anti-Infectives	3	8,593	20.7%
Vitamins/ Minerals/ Nutrients	14	1,633	3.9%
Dermatology	1	4,573	11.0%
Respiratory	6	2,859	6.9%
Pain/ Analgesics	3	3,690	8.9%
Central Nervous System	3	923	2.2%
Gynaecology	9	1,166	2.8%
Total domestic sales		41,433	

Source: IQVIA Dataset comprising the IQVIA SSA March 2021 Dataset for Fiscal 2021

Domestic Business

In India, we have historically been present through our product portfolio in acute therapeutic areas (such as anti-infectives, gastrointestinal, pain and analgesics and respiratory) and have gradually focused on chronic therapeutic areas (such as hormones, cardiovascular, blood-related products, anti-diabetics). As a result, Domestic Sales from

chronic therapeutic areas as a proportion of our total Domestic Sales increased from 30.7% in Fiscal 2019 to 35.6% in Fiscal 2021 (*Source: IQVIA Dataset*), leading to a diversified and well-balanced portfolio comprising both acute and chronic therapeutic areas.

Chronic Therapeutic Areas

Cardiovascular: Our portfolio includes angiotensin receptor blockers, calcium channel blockers, beta blockers, cardiovascular combinations, statins, anti-coagulants and diuretic combinations. Domestic Sales of our cardiovascular products grew at a CAGR of 13.4% compared to 11.1% recorded by the IPM from Fiscal 2017 to Fiscal 2021. Our key brands for cardiovascular therapies along with their ranking in the respective molecular group (by Domestic Sales) for Fiscal 2021 is set forth below (*Source: IQVIA Dataset*).

Brand	Ranking based on Domestic Sales in Fiscal 2021
Olmesar	1 st
Nexovas	2 nd
Amlovas	5 th
Amlovas AT	5 th
Rosumac Gold	2 nd
Moxovas	1 st

Source: IQVIA Dataset comprising the IQVIA SSA March 2021 Dataset for Fiscal 2021

Anti-diabetic: Our portfolio of anti-diabetic products includes oral anti-diabetic medication in primary and secondary diabetes care management. Based on the IQVIA Dataset, Domestic Sales of our anti-diabetic products grew at a CAGR of 28.5% compared to 12.3% as recorded by the IPM, from Fiscal 2017 to Fiscal 2021, making us among the top 15 companies in the anti-diabetic segment in the IPM in Fiscal 2021. Our brand Geminor M is among the top 10 brands in the anti-diabetic portfolio of Glimepride + Metformin for Fiscal 2021 (by Domestic Sales) (*Source: IQVIA Dataset*). Newly launched brands such as Vildamac/ Vildamac M of molecular groups of Vildagliptin/ Vildagliptin+Metformin have also ranked 4th and 5th respectively, in the non-innovator brands, by Domestic Sales for Fiscal 2021 (*Source: IQVIA Dataset*). Other products include Voglibose and related combinations such as Voglimac MF and Voglimac GM.

Our key brands for anti-diabetic therapies along with their ranking in the respective molecular group (by Domestic Sales) for Fiscal 2021 is set forth below (*Source: IQVIA Dataset*)

Brand	Ranking
Geminor M	8 th
Vildamac	4 th
Vildamac M	5 th

Source: IQVIA Dataset comprising the IQVIA SSA March 2021 Dataset for Fiscal 2021

Blood-related: Our blood-related portfolio includes antifibrinolytics. Our key blood-related brands include Trenaxa and Trenaxa-MF, that we launched early on in the IPM, and that ranked among the top 3 (Trenaxa ranked 1st and Trenaxa-MF ranked 3rd) in the blood-related therapeutic area by Domestic Sales for Fiscal 2021 (*Source: IQVIA Dataset*).

Vitamins, minerals and nutrients: Our vitamins, minerals and nutrients portfolio include multi-vitamins with nutrients, metabolites and protein supplements. Our key brands for Fiscal 2021 by Domestic Sales include Macprot, Mactotal and Zincitotal (*Source: IQVIA Dataset*).

Hormone treatments/ steroids: Our Company ranked 2nd in the hormones segment with a market share of 10.4% in the Covered Market (by Domestic Sales for Fiscal 2021) (*Source: IQVIA Dataset*). Our portfolio of hormone treatments includes products in the category of steroids and products in the molecular group of Levothyroxine. Our key brands for Fiscal 2021 by Domestic Sales include: Defcort which ranked 1st in the category of Deflazacort; Omnacortil which ranked 2nd in the Prednisolone oral preparation; and Thyrox which ranked 3rd in the group of Levothyroxine (*Source: IQVIA Dataset*). Thyrox is also one of our most recognized brands, which is vertically integrated and manufactured from API stage to finished formulation stage in our USFDA approved facility and is also exported to various countries in Fiscal 2021. Our other brand Primacort has a leading market share of 60.8% among its molecular group (by Domestic Sales) in Fiscal 2021 (*Source: IQVIA Dataset*).

Acute Therapeutic Areas

Dermatology: Our Company is ranked 6th in the dermatology segment by Domestic Sales for Fiscal 2021 (*Source: IQVIA Dataset*). Our key brands include Panderm++, which was ranked 1st in the molecular group of Clobetasole + Miconazole + Neomycin by Domestic Sales in Fiscal 2021 (*Source: IQVIA Dataset*), and is used in the treatment of mixed dermatological infections. Other brands in this segment include IT-Mac which is ranked 2nd in the Itraconazole market in terms of Domestic Sales in Fiscal 2021 (*Source: IQVIA Dataset*). Our Company also ranked 4th in the Luliconazole market (by Domestic Sales) for Fiscal 2021 (*Source: IQVIA Dataset*).

Anti-infectives: Our anti-infectives portfolio comprises cephalosporins, quinolones, amoxycillin, and clavulanic acid. Our Company is ranked 4th in the anti-infective market by Domestic Sales in Fiscal 2021 (*Source: IQVIA Dataset*). In the Amoxy Clav molecular group our Company is ranked 5th (by Domestic Sales) for Fiscal 2021 (*Source: IQVIA Dataset*). Similarly, in the Cefpodoxime solid segment, our Company was ranked 3rd by Domestic Sales for Fiscal 2021 (*Source: IQVIA Dataset*). Our other key brands by Domestic Sales for Fiscal 2021 include: Meromac which ranked 2nd in the Meropenem market; and Tazomac which ranked 2nd in the injectable Piperacillin + Tazobactam market (*Source: IQVIA Dataset*).

Gastrointestinal: We are primarily present in the gastrointestinal segment through PPI and combinations, along with brands present in Rabeprazole, Lansoprazole and Pantoprazole and combination markets, including anti-peptic ulcerants, ofloxacin combinations, and laxatives. Our key brands by Domestic Sales in Fiscal 2021 include Rabemac DSR, which was ranked 5th in the Rabeprazole + Domperidone molecular group (*Source: IQVIA Dataset*).

Pain and analgesics: Our pain and analgesics portfolio includes anti-rheumatic, anti-osteoporosis, muscle relaxants. Our key brands in the pain and analgesics therapeutic area include Enzomac, Enzoheal, Debrilyse Plus, Flexabenz, Macfast, Bio D3 Max and Bio D3 Plus.

Respiratory: Our respiratory portfolio includes inhaled corticosteroids, bronchodilators, cold preparations, cough preparations and antihistamines. Our key brands by Domestic Sales in Fiscal 2021 include Budetrol, which was ranked 4th in the Formoterol + Budesonide molecular group. (*Source: IQVIA Dataset*). Domestic Sales for our respiratory therapies grew at a CAGR of 11.0% from Fiscal 2017 to Fiscal 2021, compared to a CAGR of 6.2% for respiratory therapies in the IPM (*Source: IQVIA Dataset*).

Brands

We have a portfolio of 595 brands in the IPM, from Fiscal 2017 to Fiscal 2021 (*Source: IQVIA Dataset*). In Fiscal 2021, Thyrox, which is used in hormone treatments, along with our other brand Panderm++, used in dermatology, were among the top 100 brands in India based on Domestic Sales (*Source: IQVIA Dataset*). These two brands along with five others, Omnacortil and Defcort (for hormone treatment), Meromac and IT-mac (anti-infectives), and Geminor-M (anti-diabetic), were among the top 300 brands in India based on Domestic Sales (*Source: IQVIA Dataset*).

Furthermore, each of our top 20 brands (by Domestic Sales in Fiscal 2021) that are used in the treatment for blood-related, dermatology, hormones, diabetic, anti-infectives, gastrointestinal, HIV, cardiovascular and respiratory therapeutic areas among others, ranked in the top 10 (by Domestic Sales) of their respective molecular groups for Fiscal 2021 (*Source: IQVIA Dataset*).

Brands we have launched in the last 10 years comprise a higher proportion of our Domestic Sales in Fiscal 2021, as compared to the Peers, as set forth below:

Company ⁽¹⁾	Domestic Sales from 5 – 10 year old brands, as a % of total Domestic Sales for Fiscal 2021	Domestic Sales from 0 – 5 year old brands, as a % of total Domestic Sales for Fiscal 2021	Domestic Sales from 0 – 10 year old brands, as a % of total Domestic Sales for Fiscal 2021
Sun Pharmaceuticals Industries Ltd.	15.8%	6.5%	22.2%
Cipla Ltd.	5.6%	8.4%	13.9%
Alkem Laboratories Ltd.	15.5%	9.9%	25.4%
Lupin Limited	15.9%	16.9%	32.8%
Torrent Pharma	8.6%	9.5%	18.0%

Company⁽¹⁾	Domestic Sales from 5 – 10 year old brands, as a % of total Domestic Sales for Fiscal 2021	Domestic Sales from 0 – 5 year old brands, as a % of total Domestic Sales for Fiscal 2021	Domestic Sales from 0 – 10 year old brands, as a % of total Domestic Sales for Fiscal 2021
Macleods Pharmaceuticals Limited	23.9%	14.2%	38.1%

Source: IQVIA Dataset comprising the IQVIA SSA March 2021 Dataset for Fiscal 2017 to Fiscal 2021

Note: (1) Top 5 Companies (among Peers including/excluding our Company as applicable) based on Fiscal 2021 value

International Business

We distribute our products in over 170 countries. We employ a calibrated and differentiated approach to entering and deepening our presence in each of our markets so as to address the unique characteristics of each market, such as, its regulatory landscape, market size, competitive landscape and scope for our products. Based on the market dynamics and opportunities, we have established our subsidiaries and have our own ground sales force in select markets. Furthermore, we also collaborate with local partners for distribution of products and have joint ventures for marketing or manufacturing in other select markets. Our international business can broadly be categorized as follows:

Global Access Business: Our product portfolio of ARV, anti-malaria and anti-TB, has enabled us to engage with Donor Funded Global Agencies for supply of these products into low and middle-income countries. We distribute medicines for treatment of TB, HIV, and malaria to these customers as part of their efforts towards improving patient care and quality of life in emerging markets and large populations.

Distribution Business: In several geographies, we distribute our branded or generic products through local partners. Furthermore, we also have deployed our own field force that comprised more than 200 personnel as at September 30, 2021, in select geographies like West Africa, East Africa and parts of Asia. In countries where we do not have a direct presence, we typically enter into out-licensing arrangements such that the local partners use our dossier for registration of the product and we manufacture and supply the products to these partners based on receipt of marketing authorization.

Overseas Subsidiaries/ Associate: We also have our own Subsidiaries in various geographies. As on the date of this Draft Red Herring Prospectus, we had nine subsidiaries including in the United States, United Kingdom, Ukraine, Spain, Nigeria, South Africa, Malaysia, Philippines and Russia, an associate in Indonesia, and a branch office in Kazakhstan to facilitate direct access to the respective business opportunities. For further details, see “History and Certain Corporate Matters - Our Subsidiaries and Joint Ventures” on page 203.

Our Product Offerings

We manufacture a wide range of pharmaceutical formulations across various therapeutic areas in varied drug delivery platforms and novel formulations involving new technologies and manufacturing processes.

We are present in therapeutic areas such as tuberculosis, infectious diseases, diabetic, fungal infections, pulmonary diseases, musculoskeletal disorders, cardiovascular diseases, hormonal disorders, HIV and lifestyle diseases. We are also present in nutritional products belonging to FSSAI category.

Formulations

Solid Orals:

We manufacture a range of solid oral formulations that are technology-based, including:

- *Anti-TB oral combination drugs:* Two or more drugs are combined in a single dosage form (to reduce pill burden and better compliance of the treatment regime by the patient) ensuring product stability as well as oral bio availability.
- *Technology for BCS class II drugs:* Poorly soluble drugs such as antifungals, certain calcium channel blockers, oil soluble vitamins, and other BCS class II drugs are appropriately designed such that they demonstrate consistent oral bioavailability. This is particularly relevant for oral formulations that contain drugs such as Cilnidipine, Triazole Antifungals, amongst others.

- *Combination drug release:* Our range of anti-diabetic drugs include combination dosage forms wherein Metformin in sustained release form and the other drug for rapid release are formulated into a single dosage bilayer tablet formulation that is but effective in terms of controlling the release of Metformin while enabling rapid release of the other drug in the second layer.

Our continuous research in solid dosage forms has enabled development of conventional quick acting drug products, sustained release matrix and reservoir formulations, orally disintegrating tablets, chewable tablets, multimodal delivery bilayer tablets, multi-particulate delivery systems for prolonged action, nanoparticulate systems, and soft gelatin capsules with differentiation.

Liquid Orals:

For improved patient compliance and convenience, we have a variety of liquid oral formulations ranging from dry syrups, ready-to-use solutions and suspensions of therapeutic agents ranging from antacids, essential mineral and vitamin supplements for anaemia, mineral-vitamins-antioxidants syrups as health tonics, antipyretic suspension, antiprotozoal suspension, antifungal suspension, anti-bacterials for a range of systemic and topical infections and cough and cold syrups. The haematinic oral formulations have established oral absorption and efficacy owing to appropriate product design. The beta lactam and cephalosporin dry syrups are specially designed to be palatable and stable and are manufactured in controlled manufacturing conditions in our dedicated manufacturing facilities in Daman and Sikkim.

Topical Formulations:

Our range of topical formulations are designed for optimum drug delivery for the intended therapeutic action. Dermal localization and penetration studies on antibacterial and anti-fungal topical agents are performed to ensure that the products meet quality standards. We also have a novel combination topical gel formulation that contains anti-inflammatory, analgesic and muscle relaxant properties. We similarly have novel gel formulation with anti-fungal properties.

Injectables

We manufacture dry powder for injectables at our manufacturing facilities in Daman and Sikkim. At Sikkim, we have set-up a new unit for production of liquid vials and ampoules. We also intend to set-up an injectables facility for production of liquid vials, lyophilized vials and devices like pens at Indore.

Metered dose inhalers (“MDIs”):

MDIs have historically provided a reliable, instantly available, self-contained, portable, medical aerosol delivery system. Appropriate masks and a variety of adapters are available to allow MDIs to be used in infants and children, as well as in patients requiring assisted ventilation. MDIs have historically been popular due to their simple design and ease of use, as well as portability. MDIs provide more than [120 / 200 doses] for patients to carry for life cycle management. Our R&D center is equipped to perform in-vitro analysis of MDI by equipments like cascade impactors used for fine particle dose analysis and spray view for estimating spray pattern and plume geometry. We have in-house capabilities to conduct bioequivalence studies, and to perform extractables and leachables studies. MDIs are manufactured at a unit in Baddi (Himachal Pradesh) that is owned and operated by a Promoter Group entity.

Dry powder inhalers (“DPIs”):

DPIs are accepted as a type of inhaled delivery dosage forms to treat asthma and chronic obstructive pulmonary disease. DPI formulations travel along the airways to deposit in the targeted areas of the lung, and then dissolve to exert their pharmacodynamic effect or are absorbed to reach systemic targets. We manufacture DPIs at our dedicated manufacturing facility in Daman.

Research and Development

We are an R&D driven company which has enabled us to develop a portfolio of formulations across a range of therapies in multiple dosage forms. Our R&D teams focus on the development of pharmaceutical formulations, sophisticated characterization of complex molecules, and product and process improvements to achieve better quality and efficacy for our existing products. We believe that our R&D efforts has led, and will continue to lead to new, innovative processes that can increase the efficiencies of production including developing cost-effective manufacturing processes, as well as address opportunities that we have identified in the global market for our businesses. As at September 30, 2021, we had six R&D centers across India that are DSIR approved. We have

also recently opened an R&D center in Mumbai (Maharashtra) for oncology products, for which the DSIR application is pending, and have another upcoming R&D center in Mumbai. Our R&D team comprised more than 1,900 personnel including researchers, scientists, IP and legal experts as at September 30, 2021.

R&D Infrastructure

Our R&D centres comprise individual departments which focus on a variety of developmental activities such as API, formulations, analytical development, and bioequivalence study and pharmacovigilance department as set out below.

API Development: Involved in the development of API, this division handles multi-step chemical synthesis involving varied reaction types including the use of chiral substrates. We comply with legal and regulatory requirements while working towards making the APIs scalable and cost-effective.

Analytical Development: This department supports various forms of analytical development required for APIs and formulations. We use equipment such as Nuclear Magnetic Resonance, X-Ray Diffraction and Liquid Chromatography Mass Spectroscopy, among others.

Bioequivalence Study: We established our bioequivalence center in 2005 which is responsible for conducting studies for filing product registrations with various regulatory authorities. As at September 30, 2021, it held valid accreditation by CDSCO, DSIR-India and NABL. The center is also routinely inspected by various Indian and international regulatory bodies and institutions such as USFDA, UK MHRA, NPRA-Malaysia, GLP-Thailand and WHO. The center is equipped to work across clinical, bioanalytical, pharmacokinetic functions and statistical, quality assurance and data protection, each integral to the organization, as described below:

- *Clinical division:* Our clinical pharmacological units in Mumbai (Maharashtra) and Ahmedabad (Gujarat) have 248 beds as at September 30, 2021 and a pathology lab which is accredited by NABL. It comprises intensive care units (“ICUs”), and qualified medical professionals who monitor subjects participating in bioequivalence studies.
- *Bioanalytical section:* This section conducts method development and validation of the products from human matrix (blood, serum, plasma, and urine). It is equipped with LC-MS/ MS machines.
- *Pharmacokinetic and Statistical:* A SAS-powered statistical analysis software unit conducts these processes.
- *Pharmacovigilance Department:* We have set up a pharmacovigilance department to monitor product quality complaints, adverse effects experienced by patients, provide medical information to healthcare professionals, and dispense product information. The unit has been set up and is attended by pharmacovigilance team. The department has also been inspected by the USFDA.
- *Quality Assurance:* Adherence to good clinical practices and good laboratory practices, and regulatory requirements is facilitated through online and retrospective audits. We follow standard operating procedures (“SOPs”) to ensure uniformity of procedures across the clinical, analytical, and statistical sections.
- *Data Protection:* We provide controlled access to ensure data confidentiality and integrity with dedicated servers for software and laboratory data.

Product Development

Our R&D capabilities have led to the development of more than 500 active brands in the IPM, as at September 30, 2021. Through our R&D operations, we have been able to develop patented product including Rabemac DSR and file applications of few other products. We have also developed products with new drug delivery systems to benefit patients, including Rabemac DSR (Rabeprazole plus Domperidone), Nexovas (Cilnidipine), Azithromycin (Zithrox), and Cefolac (Cefixime). Our continued R&D has enabled us to launch several products early on in the IPM that have evolved into recognized brands such as Olmesar (Olmesartan), Defcort (Deflazacort), Trenaxa (Tranexamic acid), Etizola (Etizolam), Rebagen (Rebamipide), Cefolac CV (cefixime plus Clavulanic acid), Oratil CV (Cefuroxime plus Clavulanic acid), and Zedocef CV (Cefpodoxime plus Clavulanic acid). Few differentiated products that we have developed over the years are set forth below:

- FORECOX – We developed a stable four-drug fixed dose for TB which was subsequently pre-qualified by WHO.
- Rabemac-DSR – A combination of Rabeprazole and Domperidone SR, this NDDS is a combination of a proton pump inhibitor and sustained release Domperidone using a 3-way technology, which ensures continuous release of Domperidone.
- Geminor M range of anti-diabetic tablet dosage form – we have developed the small tablet dosage form in India with improved drug dissolution and absorption.
- Combination of Rifampicin and Isoniazid Dispersible Tablet; and Rifampicin, Isoniazid and Pyrazinamide Dispersible Tablet – we have developed the pediatric dispersible tablet which are pre-qualified by WHO.
- Fixed drug combination of Rifapentine and Isoniazid for treatment of latent TB infections (3HP). This combination drug helps increase patient compliance to the treatment regime as it substitutes consumption of multiple drugs, thereby reducing pill burden and helps in achieving increased treatment completion rate.

We have recently established an R&D facility in Mumbai (Maharashtra) for oncology products, with required containment procedures. The facility is equipped to handle oncology molecules for oral administration with all protective equipment such as Isolators and Powered air purifying respirators (PAPRs). The current portfolio of products being developed at this center include different indications for breast cancer, ovarian cancer, multiple myeloma, non-small cell lung carcinoma (NSCLC), and prostate cancer. These are proposed to be in dosage forms ranging from immediate release tablets, to hard gelatin capsules, soft gelatin capsules and extended release tablets. We intend to develop some of these products using novel platform technologies over the next few years.

Regulatory Filings

Our R&D team includes an in-house regulatory affairs unit that is experienced in handling and has made necessary filings with regulators in the United States, the European Union and other jurisdictions and institutions like WHO. Our in-house regulatory affairs unit is also responsible for making other applications such as DMFs, ANDAs and dossiers. Our R&D centres have a track record of ensuring compliance with requirements of regulators and institutions including those by USFDA, MHRA, EDQM, MOH Malaysia, SAPHRA, the Australian government and WHO.

Our R&D capabilities have led to the filing of more than 5,300 registrations with more than 3,700 approved, as at September 30, 2021, including 181 ANDAs with the USFDA of which 80 have been approved, 14 have been tentatively approved, and 87 are under assessment. We have also filed 348 DMFs for APIs in various markets including the United States and EDQM, of which 224 are registered, as at September 30, 2021, and have filed 78 product-related applications with WHO, of which 65 have been qualified (“**WHO PQs**”) and 13 are pending approval, as at September 30, 2021. We believe that our R&D efforts has led, and will continue to lead to new, innovative processes that can increase the efficiencies of production including developing cost-effective manufacturing processes, as well as address opportunities that we have identified in the global market for our businesses. For Fiscals 2019, 2020, 2021 and the six months ended September 30, 2021, R&D expenses represented 4.64%, 4.13%, 4.29% and 4.59% of our revenue from operations, respectively.

Intellectual Property

We have a team which is responsible for filing applications for registrations of products in the Indian and overseas markets in our research, process and platform technology areas.

As at September 30, 2021, we had been granted one patent and had eight pending patent applications in India. We have also filed patent claims for few of our products, including Cefolac, IT MAC SB, Isavuconazole, and Vildamac OD. We expect to continue to file patent applications seeking to protect our innovations and novel processes in both developed markets and emerging markets.

In addition, we have obtained have registration for or have applied for registration under the Trademarks Act in respect of our top brands under various classes. As at September 30, 2021, we held 523 registered trademarks including for our Panderm++, Meromac, Defcort, Megalis, Olmesar, Bio D3, Trenaxa, and Budetrol brands. We also hold 55 trademark registrations outside India as at September 30, 2021.

Manufacturing Facilities and Approvals

We own and operate eight manufacturing units that are located across the states of Himachal Pradesh, Sikkim, Maharashtra, Daman, Gujarat and Madhya Pradesh, in India. In addition, through a manufacturing agreement, we have access to one manufacturing unit in Himachal Pradesh that is owned and operated by our Promoter Group entity, and through our Associate Company, PT Sampharindo Retroviral Indonesia, we have access to a manufacturing unit in Indonesia.

The power requirements for our facilities are partly met by the local state power grid and we procure water for use at our facilities from local authorities. Our manufacturing facilities have effluent treatment plants to treat our industrial wastewater and recycle it for reuse.

Our manufacturing facilities are inspected/ audited by a range of overseas regulatory authorities and institutions, including MHRA, USFDA, WHO, EDQM and SAPHRA, among others, to assess compliance with their respective regulatory requirements. The following table sets forth certain information on our manufacturing facilities:

	Manufacturing Unit and Location	Description	Key Inspections
1.	Baddi, Himachal Pradesh, India	Formulations manufacturing facility for solid orals (tablets and capsules) and liquid orals	• USFDA • Poland • MHRA • WHO Geneva • Indian authorities • Ukraine • Uganda • Ethiopia • SAHPRA
2.	Sikkim, India	Formulations manufacturing facility for solid orals, liquid orals, injectables, ointments, softgels, and dry syrups	• Indian authorities
3.	Palghar, Maharashtra, India	Formulations manufacturing facility for solid orals (tablets, capsules, and granules) and liquid orals	• Indian authorities • Kenya
4.	Daman Unit II, India	Formulations manufacturing facility for solid orals (tablets and capsules) and dry powder injectables	• MHRA • USFDA • Indian Authorities • WHO Geneva • MCAZ – Zimbabwe • MOH Malaysia • MOH Saudi Arabia • NDA Uganda • Kenya
5.	Daman Unit VII, India	Formulations manufacturing facility for solid orals (tablets) and liquid orals	• Ethiopia • Ivory Coast • Kenya • Namibia • Indian Authorities
6.	Daman Unit III, India	Formulations manufacturing facility for solid orals (tablets and capsules) and dry syrup	• Indian Authorities
7.	Sarigam, Gujarat, India	API manufacturing facility and formulations manufacturing facility for solid orals (tablets)	• USFDA • MHRA • WHO Geneva • EDQM • Indian Authorities
8.	Indore, India	Formulations manufacturing facility for solid orals (tablets and capsules)	• Indian Authorities • Ethiopia

Other Production Facilities

In order to meet the demand for our products and to develop and introduce newer products in new therapies, we are in the process of setting-up two new manufacturing units at Jammu and one new unit at Dahej. We also intend to expand our existing units in Sikkim and Indore, as set forth below:

Proposed Facility Location	Product Description
Jammu	API – Rifampicin
Jammu	Finished formulation such as tablets, capsules, oral liquid and soft gelatin capsules
Dahej	KSM and API
Sikkim	Finished Formulation Products like liquid vials and ampoules, tablets, oral liquids, capsules
Indore	API and formulations (only Oral Solid Dosage forms) for Oncology
Indore	Liquid and Lyophilized Injectables including pens

Consistent with our past practices, we intend to add capacity in a phased manner to ensure that we utilize our capacity at optimal levels. The information as set out above on our proposed expansion plans are indicative and remain subject to the potential problems and uncertainties that construction projects face including cost overruns or delays. We are in the process of obtaining various consents, approvals and acknowledgements from regulatory authorities that are routine in nature in relation to these facilities, to the extent applicable. Also see, “*Risk Factors – Our proposed capacity expansion plans relating to our manufacturing facilities are subject to the risk of unanticipated delays in implementation and cost overruns.*” on page 49.

In addition to our own manufacturing facilities, we selectively enter into arrangements with third-party manufacturers for production of certain of our products. For Fiscal 2019, 2020, 2021 and the six months ended September 30, 2021, products manufactured through third-party manufacturing arrangements contributed to 20.56%, 23.96%, 26.53% and 22.01% of our total revenue from operations in the same periods, respectively. Our key products manufactured through third-party manufacturing arrangements include MDIs, 4FDC and 3HP. Under third party manufacturing arrangements our third-party manufacturers typically indemnify us for all losses and damages arising from claims and liabilities due to a breach by the manufacturers, defects in the products produced and arising from the manufacturer, storage and distribution of the products. See “*Risk Factors – We rely on certain third-party manufacturers for manufacturing some of our products*” on page 46.

Capacity and Capacity Utilization

The following table sets forth certain information relating to our capacity utilization of our manufacturing facilities calculated on the basis of total installed production capacity and actual production as of/ for the periods indicated below:

Facility/Dosage forms	2019	2020	2021	Six months ended September 30, 2021 ⁽¹⁾
Baddi, [Tablets & Capsules] ⁽¹⁾				
Installed capacity [Million]	2,405.6	2,405.6	2,434.9	3,253.9
Actual production volumes [Million]	1,917.8	1,852.3	2,127.2	2,129.0
Capacity utilization	80%	77%	87%	65%
Baddi, [Oral Liquids] ⁽¹⁾				
Installed capacity [Bottles in Million]	10.8	10.8	10.8	10.8
Actual production volumes [Bottles in Million]	7.7	6.0	6.3	5.0
Capacity utilization	72%	56%	59%	46%
Sarigam [Tablets] ⁽²⁾				
Installed capacity [Million]	1,125.0	1,500.0	1,890.0	1,890.0
Actual production volumes [Million]	801.0	1,212.0	1,559.0	1,885.5
Capacity utilization	71%	81%	82%	100%
Sikkim [Tablets & Capsules] ⁽³⁾				
Installed capacity [Million]	2,979.1	3,049.1	3,531.5	4,013.9
Actual production volumes [Million]	2,182.9	2,432.2	2,866.0	2,967.4
Capacity utilization	73%	80%	81%	74%

Facility/Dosage forms	2019	2020	2021	Six months ended September 30, 2021 ⁽¹¹⁾
Sikkim [Oral Liquids]				
Installed capacity [Bottles in Million]	77.7	77.7	77.7	77.7
Actual production volumes [Bottles in Million]	56.9	56.6	37.2	57.4
Capacity utilization	73%	73%	48%	74%
Sikkim [Dry Powder Injections]				
Installed capacity [Vials in Million]	61.1	61.1	61.1	61.1
Actual production volumes [Vials in Million]	47.1	44.9	36.0	53.2
Capacity utilization	77%	73%	59%	87%
Sikkim [Ointments in tube]				
Installed capacity [Numbers in Million]	82.5	82.5	82.5	82.5
Actual production volumes [Numbers in Million]	43.5	43.2	46.9	36.3
Capacity utilization	53%	52%	57%	44%
Palghar [Tablets and Capsules] ⁽⁴⁾				
Installed capacity [Million]	538.8	538.8	538.8	538.8
Actual production volumes [Million]	252.1	317.9	328.3	278.1
Capacity utilization	47%	59%	61%	52%
Palghar [Oral Liquids] ⁽⁴⁾				
Installed capacity [Bottles in Million]	12.0	12.0	12.0	12.0
Actual production volumes [Bottles in Million]	3.0	4.0	2.0	4.0
Capacity utilization	25%	33%	17%	33%
Daman Unit II [Tablets and Capsules] ⁽⁵⁾				
Installed capacity [Million]	1,735.0	1,735.0	1,735.0	2,455.0
Actual production volumes [Million]	1,165.2	1,301.6	1,184.9	1,384.7
Capacity utilization	67%	75%	68%	56%
Daman Unit II [Dry Powder Injections]				
Installed capacity [Vials in Million]	10.5	10.5	10.5	10.5
Actual production volumes [Vials in Million]	8.3	9.0	5.7	7.7
Capacity utilization	79%	86%	54%	74%
Daman Unit VII [Tablets and Capsules] ⁽⁶⁾				
Installed capacity [Million]	1,463.9	1,463.9	1,538.9	1,643.9
Actual production volumes [Million]	557.7	648.6	609.7	567.0
Capacity utilization	38%	44%	40%	34%
Daman Unit VII [Dry Syrup] ⁽⁶⁾				
Installed capacity [Bottles in Million]	10.5	10.5	10.5	10.5
Actual production volumes [Bottles in Million]	8.0	7.0	3.5	5.2
Capacity utilization	76%	66%	33%	50%
Daman Unit III [Tablets] ⁽⁷⁾				
Installed capacity [Million]	2,190.0	2,190.0	2,487.5	2,700.0
Actual production volumes [Million]	1,730.0	1,606.5	1,592.4	1,844.0
Capacity utilization	79%	73%	64%	68%
Daman Unit III [Oral Liquids]				
Installed capacity [Bottles in Million]	21.6	21.6	21.6	21.6
Actual production volumes [Bottles in Million]	16.2	15.5	8.3	17.2
Capacity utilization	75%	72%	39%	80%
Indore [Tablets and Capsules] ⁽⁸⁾				
Installed capacity [Million]		1,328.0	1,328.0	1,068.0
Actual production volumes [Million]		20.4	60.9	47.8
Capacity utilization		1.5%	4.6%	4.5%

Facility/Dosage forms	2019	2020	2021	Six months ended September 30, 2021 ⁽¹¹⁾
Sarigam [API]				
Installed capacity [KL capacity] ⁽⁹⁾	98.0	98.0	98.0	170.7
Actual production volumes [MT]	197.1	206.3	275.7	363.6
Capacity utilization ⁽¹²⁾	NA	NA	NA	NA
Sarigam [KSM and Intermediate] ⁽¹⁰⁾				
Installed capacity [KL capacity]	445.3	445.3	445.3	607.6
Actual production volumes [MT]	237.0	256.9	385.3	377.2
Capacity utilization ⁽¹²⁾	NA	NA	NA	NA

Notes:

- (1) Capacity expansion of 29 million in the end of Fiscal 2020 and 819 million in April 2021.
- (2) Granulation capacity expansion in Fiscal 2020 by 375 million to 1,500 million and 750 million tablets in Fiscal 2021 to 2,250 million, however maximum compression capacity is at 1,890 million.
- (3) Capacity expansion of 120 million tablets in September 2019 and capacity expansion of 965 million in tablets and capsules in October 2020.
- (4) Palghar's Actual Production is based on two shifts.
- (5) 720 million tablets capacity added from April 2021 at Daman Unit II.
- (6) Installed new filling capsule machine with capacity of 360 million in October 2020 by replacing old capsules filling machine with capacity of 180 million at Daman Unit VII.
- (7) Installed strip packing machine in August 2020 (Annual capacity 510 million tablets) at Daman Unit III.
- (8) Capsule capacity has been reduced (capsule filling machine A40 was replaced with an A120 model in April 2021).
- (9) API capacity expansion of 72.6 KL was completed in Fiscal 2021-2022.
- (10) Intermediate capacity expansion of 162.3 KL was completed in Fiscal 2022. The unit has capacity to produce KSM/ intermediate for majority API.
- (11) The Actual Production for the six months ended September 30, 2021 has been provided on an annualised basis.
- (12) Capacity calculation is not applicable for API and Intermediate units as such units have been utilized for multiple products across various stages.

Environmental, Health and Safety Controls

We are subject to extensive environmental laws and regulations, including regulations relating to the prevention and control of water pollution and air pollution, environmental protection, hazardous waste management and noise pollution. These laws and regulations govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from our operations.

Environmental Controls

We have an environmental policy through which we emphasize the effects of our operations on the environment and the impact of climate change on our business as we believe these factors can significantly influence our resilience and long-term sustainability. We are committed to improving our activities, products and services, to ensure we comply with responsible business practices. In an effort to minimize environmental pollution at our facilities, we have installed scrubbers, stacks, filter bags, and sewage and effluent treatment plants, so that any emissions and/ or discharge of any pollutants are within permissible limits. We have established standard operating procedures to handle different categories of waste and our waste management strategy includes monitoring and control procedures for waste categorization, segregation, minimization, safe handling, transport, and disposal of waste. We aim to utilize water and other natural resources efficiently by reducing consumption, undertaking recycling, reusing and recovery of such resources. We seek to optimize energy usage and minimize our dependence on conventional sources of energy by incorporating renewable alternative such as solar power to reduce our carbon footprint and decarbonize our operations.

Health and Safety Controls

We have adopted a health and safety policy that is aimed at complying with legislative requirements, requirements of our licenses, approvals, various certifications and ensuring the safety of our employees and the people working at our facilities or under our management. We are committed to following safe working practices across our operations. We aim to continually improve our health and safety management system and its performance by setting and achieving documented objectives and targets of occupational health and safety aspects. We seek to identify the hazards and occupational health risks that our operations are exposed to, and subsequently implement preventive measures through a combination of technical, organizational and personal safety measures. We carry out facility-level risk assessments that are periodically updated. We conduct training and awareness programs for

occupational health and safety of employees and carry out regular surveys, safety audits, management review meetings and periodic employee safety meetings; periodic emergency mock drills in our manufacturing facilities and interim controls by different [SOP/OCP.] We have identified key factors which can affect our business and have implemented control mechanisms that we review to update our corrective action plans. We also have disaster management systems in place.

Any failure to comply with the applicable environmental or other laws and regulations may subject us to penalties and may also result in the closure of our facility. For details, see “*Risk Factors – We are subject to extensive government regulation and may fail to obtain, maintain or renew statutory and regulatory licenses, permits and approvals required to operate our business both in India and abroad.*” on page 40].

Quality Check and Quality Assurance

Quality compliance is critical to our brand and continued growth. Manufacturing products that are compliant with the extensive regulatory framework is a key differentiator in our business, critical to our continued success and the maintenance of our scale of operations. We are committed to providing high quality products to our customers and to meet this commitment, we have implemented regulatory prescribed manufacturing practices across our manufacturing sites, encompassing all areas of business processes ranging from supply chain to product delivery. This enables us to maintain consistent quality, efficiency and product safety.

Our quality assurance unit consists of professionals with significant industry experience that is responsible for maintaining required quality standards. As at September 30, 2021, we had more than 2,500 employees engaged in quality assurance and compliance across our facilities. Quality checks are performed at various stages to monitor product quality during the manufacturing process. Final finished products are tested as per our predetermined quality specifications before release in the market. All products are subjected to stability testing program to understand the real product behavior during its shelf life.

We implement and maintain standard practices for our key functions including raw material sourcing, sophisticated equipment, automation in laboratory, manufacturing processes, and distribution. We have a comprehensive and harmonized approach towards quality and we have adopted manufacturing procedures across all our facilities aimed towards achieving standardized quality for all our markets and for ensuring compliance with regulatory requirements. We have a centralized corporate quality function that tracks all changes in quality requirements and standards and ensures implementation across all our facilities, which helps us maintain uniform quality across the products. Any remedial action or improvement done in one facility are generally ported to all other facilities.

We perform regular audits on our manufacturing facilities and regularly review and update our procedures and practices to ensure compliance with applicable regulations in accordance with cGMP requirements. Our manufacturing facilities have been inspected by and have obtained approvals from Indian and international regulatory authorities and institutions including USFDA, EDQM, MHRA, MOH, Malaysia, SAPHRA and WHO.

Marketing and Distribution

Our sales and marketing team is spread across 25 countries and comprised more than 6,500 personnel as at September 30, 2021. The key responsibilities of the team include developing our brands in new markets, engaging with distributors for supply of products, and interactions with several institutional and non-institutions customers to promote our products.

In India, the team comprised more than 6,300 personnel as at September 30, 2021, of which more than 4,900 were MRs. We have established dedicated business units for marketing and sales purposes, each of which focuses on developing and growing our engagement with specialist medical practitioners within our various therapeutic areas. We believe that having dedicated teams that specialize in marketing and promotional strategies for specific product portfolios enables us to build stronger brands and prescriber relationships. Marketing activities in India include participating in various pharmaceutical/ medical conferences, exhibitions and meetings to impart product knowledge and raise brand awareness. Our ongoing marketing efforts include organizing medical camps and awareness drives to raise awareness of chronic diseases and other lifestyle enabled ailments such as diabetic, hypertension, osteoporosis, hyperthyroidism, and respiratory disorders.

Outside India, the team comprised more than 200 personnel as at September 30, 2021.

Digital Marketing Initiatives

We have strengthened our digital marketing initiatives through various platforms connecting our field force and providing them access to sales data. We also host a website at: <http://medresource.in> to enable to knowledge-sharing among physicians in India. The site also provides a marketing platform through which our sales personnel are able to interact with medical practitioners and promote our products. We have also launched 'Macleods Medlive', a YouTube channel on which we share online seminars, continuing medical education programs, and views of industry experts.

Out-Licensing Arrangements

In certain countries where we do not have a direct presence through subsidiaries such as Australia, New Zealand, few countries in Europe, Middle East and South America, we enter into out-licensing arrangements with distributors. Through these arrangements, distributors are able to file dossiers for our products and obtain relevant approvals based on which we manufacture and supply our products in such countries.

Customers and Suppliers

We have a diverse customer base comprising of global donor agencies, government agencies such as health departments in various countries, healthcare institutions, wholesalers, distributors and other pharmaceutical companies that sell our products. Our business is based on purchase orders from customers which may vary from customer to customer.

The key raw materials that we use for our manufacturing operations include APIs, key starting materials, intermediaries and other materials such as excipients, manufacturing consumables, laboratory chemicals and packaging materials. We identify and approve multiple suppliers to source our key raw materials and procure supplies through purchase orders that we place with them from time to time. We do not have any long-term contracts with our suppliers and prices are typically negotiated for each purchase order. We currently source our key raw materials from suppliers in India and China. We seek to reduce dependency on third-party suppliers by continuing to vertically integrate our operations through our upcoming facilities (in Jammu for API, Dahej for KSM and API, and Indore for API), 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 suppliers to maintain quality standards. We screen our suppliers and vendors based on our pre-defined criteria that takes into account factors such as their internal controls with respect to environmental and social aspects, their compliance with regulatory legislations, and their safety provisions and overall business conduct.

See also “Risk Factors – We may experience a shortfall in the supply of our raw materials or an increase in their prices, or of other input costs” on page 37.

Competition

Our competition varies by market, therapeutic area and product category, and within each category, upon dosage strengths and drug delivery. The IPM is primarily a branded generics-driven market, dominated by Indian generic players which account for approximately 80-85% of the overall market, and multi-national companies (“MNCs”, i.e., companies that are headquartered overseas) that account for approximately 15-20% share of the market (*Source: IQVIA Report*). MNCs play a dominant role as innovators in IPM. The table below sets forth the names of some of the top Indian companies and MNCs operating in IPM.

Indian Companies	MNCs
Alkem Laboratories Ltd.	Abbott
Aristo Pharmaceuticals Pvt. Ltd.	Boehringer Ingelheim
Cipla Ltd.	GSK
Dr. Reddy's Laboratories	Janssen
Glenmark Pharmaceuticals Ltd.	MSD
Intas Pharmaceuticals Ltd.	Novartis
Lupin Ltd.	Pfizer
Macleods Pharmaceuticals Limited	P&G Health
Mankind Pharma	Sanofi

Sun Pharmaceuticals Industries Ltd.	Viartis (formerly Mylan)

Source: IQVIA Report

Within the Covered Market of the therapies of anti-infectives, cardiovascular, dermatology, pain, anti-diabetic, the key players, i.e. pharmaceutical companies operating in similar therapeutic areas are, Alkem Laboratories, Cipla Limited, Dr. Reddy's Laboratories, Eris Lifesciences, IPCA Laboratories, Lupin Limited, Sun Pharmaceutical Industries Ltd., Torrent Pharmaceuticals, Zydus Cadila (referred to in this section as our “Peers”), and our Company (Source: IQVIA Report). For further information, see “Basis for Offer Price” and “Industry Overview – Key Players in IPM” on pages 105 and 144.

To stay ahead of our competitors, we regularly upgrade our equipment and technology for our manufacturing facilities. We aim to keep our costs of production low to maintain our competitive advantage and our profit margins. We continuously seek new product registrations, marketing authorizations and other approvals from regulatory authorities to increase our product offerings. See, “Risk Factors – The pharmaceutical industry is intensely competitive, and we may be unable to respond adequately to the increased competition we may face” on page 45.

Information Technology

Our IT team assists us to ensure that systems are implemented in accordance with prevailing regulatory norms. We have implemented enterprise resource planning for efficient working of our operations, including our sales, production, financial record keeping and human resource functions. We have implemented multiple automation systems at our manufacturing facilities which help us in routine operations. We consistently make efforts to maintain and upgrade our systems to ensure business continuity. See, “Risk Factors – Failure, inadequacy, or breach of our IT systems or our business processes regarding confidential information and other data, unauthorized access to our confidential information or violations of data protection laws could result in material harm to our business and reputation” on page 52.

Insurance

Our operations are subject to hazards inherent in manufacturing facilities such as 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 customarily required for companies operating in our industry due to the risks associated with our operations. Our principal types of coverage include standard fire and special perils policy, which cover our manufacturing facilities and warehouses, motor insurance policy, marine cargo policy, product liability, group medical claim, group personal accident, burglary, special contingency, electronic equipment policy, clinical trial liability, and public liability.

See also “Risk Factors – An inability to maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.” on page 59.

Employees

As at September 30, 2021, we had more than 17,700 permanent employees globally. We also hire contract labour for our manufacturing facilities from time to time. The following table sets forth a breakdown of our permanent employees by function, as at September 30, 2021:

S. No.	Function/ Division	Number of Employees		Total
		In India	Outside India	
1.	Sales and Marketing	6,391	229	6,620
2.	Manufacturing	5,698	-	5,698
3.	Quality	2,520	5	2,525
4.	R&D	1,934	-	1,934
5.	Corporate	560	-	560
6.	Operations	111	12	123
7.	Regulatory	115	12	127
8.	Others	172	28	200

	Total	17,501	286	17,787

Our ‘Centre of Excellence’ focuses on training our employees. We train our employees to increase the level of operational excellence, productivity and maintain compliance standards on quality and safety. We have also set-up a ‘Centre of Excellence’ to train candidates and newly hired employees on manufacturing practices, data integrity, and quality control. See, “*Risk Factors – Our operations are labor intensive and we may be subject to strikes, work stoppages or increased wage demands by our employees or those of our suppliers*” on page 52.

Benevolent Contribution Scheme

In the unfortunate event of an employee passing away during his or her employment with our Company, we have a “Benevolent Contribution Scheme” which is designed to provide financial assistance to the employee’s bereaved family. Under the scheme, employees may voluntarily contribute and pool a sum of money to support to the family of their deceased colleague. The management of our Company will also contribute a sum towards this fund and the total amount will be disbursed to the deceased employee’s family.

In light of the COVID-19 pandemic, should an employee pass away due to COVID-19, our management will contribute an additional sum towards the fund above.

Corporate Social Responsibility

We have constituted a corporate social responsibility (“CSR”) committee of our Board of Directors (the “**CSR Committee**”) and have adopted and implemented a CSR policy on February 15, 2021. See, “*Our Management – Committees of the Board – Corporate Social Responsibility Committee*” on page 221. We carry out our CSR functions through various implementing agencies and through Macleods Social welfare Foundation which is a section 8 company incorporated for implementing our CSR objectives. Our CSR objectives include promoting health care including preventive health care, promoting education, promoting gender equality and measures for reducing inequalities faced by socially and economically backward groups.

Property

Our Registered Office and our Corporate Office is located at 304, Atlanta Arcade, Marol Church Road, Andheri (E) Mumbai – 400059, and 501-503, "A" Wing, Everest Grande, Shanti Nagar Mahakali Caves Road, Andheri (East), Mumbai – 400093, Maharashtra, India, respectively, and both are owned by us. In addition, our manufacturing facilities at Baddi, Daman and Palghar are owned by us, while our other manufacturing facilities at Sikkim, Sarigam and Indore are occupied by us on a long-term leasehold basis. Further, our sales and marketing, and administration offices in various locations such as Ahmedabad, Mumbai, Sarigam, Daman, Baddi, Sikkim, and Palghar, are occupied by us on a leasehold or rental basis. As at September 30, 2021, we operated six R&D centres. We have recently opened our seventh R&D centre, and also have an upcoming R&D centre. The details of the properties with respect to our R&D centres are as set out below:

S. No.	Type	Address	Work Stream	DSIR Registration	Lease Tenure
1.	Unit-I	G-2 & G 13 (Wilson), Saket, Mahakali Caves Road & G-13 Marol, MIDC, Andheri (E), Mumbai	Formulation Development and Analytical Testing	✓	95 years
2.	Unit-II	Building No.95, Opposite Suncity Hotel, Maheshwari Nagar, MIDC, Andheri East, Mumbai	Bioequivalence and Pharmacovigilance	✓	95 years
3.	Unit-III	Administrative Building, Plot no. 2209, GIDC, Sarigam, District Valsad, Gujarat	API development and Fermentation	✓	99 years
4.	Unit-IV	Plot No.18, Road No.9, Marol MIDC, Andheri East, Mumbai	Bioequivalence	✓	95 years
5.	Unit-V	5th Floor, Empire Doctor House, Opposite Kargil Petrol Pump, Ahmedabad, Gujarat	Bioequivalence	✓	9 years
6.	Unit-VI	Plot No. 19, Road No. 9, Marol Industrial Area, Nr Saffron Spice Hotel & Akruti Center, Mumbai	API and Formulation Development for Oncology and Analytical Testing	To be applied	95 years
7.	Unit-VII	Plot No. 124, Road No. 17, MIDC, Marol, Mumbai	API and Peptide development	✓	95 years

S. No.	Type	Address	Work Stream	DSIR Registration	Lease Tenure
8.	Unit-VIII	Plot No. 60, Street No. 14, MIDC Phase II, Mumbai	Formulation Development and Analytical Testing	Upcoming	95 years

See, “Risk Factors – We operate certain of our manufacturing facilities and R&D centres on leased premises pursuant to lease agreements that may be terminated or not renewed on terms acceptable to us” on page 54.

KEY REGULATIONS AND POLICIES

The following is an overview of certain sector specific laws and regulations in India which are applicable to the business and operations of our Company. The information of laws and regulations available in this section has been obtained from publications available in public domain and is based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative actions, regulatory, administrative or judicial decisions. 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. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial or administrative decisions

Our company is engaged in the business of developing, manufacturing, and marketing a wide range of formulations across several major therapeutic areas including anti-infectives, anti-hypertension, dermatology, and hormone treatment. Under the provisions of various Central Government and State Government statutes and legislations, our Company is required to obtain and regularly renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations in India. For information regarding regulatory approvals required by our Company, see “Government and Other Approvals” on page 443.

The following is an overview of some of the important laws and regulations, which are relevant to our business of manufacturing and dealing in pharmaceutical products.

Key Legislations Applicable to Our Business

Drugs and Cosmetics Act, 1940 (“DCA”), the Drugs and Cosmetics Rules, 1945 (“DCA Rules”), and the Cosmetic Rules, 2020

The DCA regulates the import, manufacture, distribution and sale of drugs and cosmetics and prohibits the import, manufacture and sale of certain drugs and cosmetics which are, inter alia, misbranded, adulterated, spurious or harmful. The DCA Rules specify the requirement of a license for the manufacture or sale of any drug or cosmetic including for the purpose of examination, testing or analysis. It further mandates that every person holding a license must keep and maintain such records, registers and other documents as may be prescribed which may be subject to inspection by the relevant authorities.

Drugs (Control) Act, 1950 (“Drugs Act”)

The Drugs 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.

The Narcotic Drugs and Psychotropic Substances Act, 1985 (“NDPS Act”)

The NDPS Act is a legal framework which seeks to control and regulate 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 transshipment of narcotic drugs and psychotropic substances, except for medical or scientific purposes. It also controls and regulates controlled substances which can be used in the manufacturing of narcotic drugs and psychotropic substances. 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.

Clinical Trial under the Drugs and Clinical Trial Rules, 2019

The Clinical Trials in India are controlled by the Directorate General (“DG”) of health services under the ministry of health and family welfare. The New Drugs and Clinical Trial Rules, 2019 (“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 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. The Indian Council of Medical Research has issued the Ethical Guidelines for Biomedical Research on Human Participants, 2017 which envisages that medical and related research using human beings as research participants must, necessarily, inter alia, ensure that the research is conducted in a manner conducive to, and consistent with, their dignity, well-being and under conditions of professional fair treatment and transparency. Further such

research is subjected to evaluation at all stages of the same.

Further, under the Clinical Trials 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 Clinical Trials Rules further provide for the composition and functions of the ethics committee and its period of validity. The Clinical Trials 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.

Indian Council for Medical Research (“**ICMR**”) has published National Guidelines for Ethics Committees Reviewing Biomedical & Healthcare Research during Covid-19 Pandemic (“**ICMR National Guidelines**”). The ICMR National Guidelines highlighting the important and facilitatory role that ethics committees will have to play in supporting the ethical conduct of research in India.

The Essential Commodities Act, 1955 (the “ECA”)

The ECA empowers the Central Government, to control 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. Using the powers under it, various ministries/departments of the Central Government have issued control orders for regulating production, distribution, quality aspects, movement and prices pertaining to the commodities which are essential and administered by them. The State Governments have also issued various control orders to regulate various aspects of trading in essential commodities such as food grains, edible oils, pulses kerosene, sugar and drugs. Penalties in terms of fine and imprisonment are prescribed under the ECA for contravention of its provisions.

Drugs (Prices Control) Order, 2013 (“DPCO”)

The DPCO prescribes inter alia the ceiling price of scheduled formulations, retail price of a new drug for existing manufacturers of scheduled formulations, maximum retail price of scheduled formulations. The DPCO specifies procedures for fixing the ceiling price of scheduled formulations of specified strengths or dosages, retail price of new drug for existing manufacturers of scheduled formulations, and penalties for contravention of its provisions.

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 Poisons Act, 1919 (“Poisons Act”)

The Poisons Act enables state governments to grant licenses for the possession, sale, wholesale or retail and fixing of the fee, if any, of poisons. 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 to any one person etc.

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 or announcement. It also specifies the ailments for which no advertisement is allowed and prohibits advertisements that misrepresent, make false claims or mislead. Further, the Drugs and Magic Remedies (Objectionable Advertisements) Rules, 1955 have been framed for effective implementation of the provisions of the DMRA.

The Pharmacy Act, 1948 (“Pharmacy Act”)

The Pharmacy Act governs the regulation of the profession, practice of pharmacy and pharmacy councils. The

function of pharmacy council which inter-alia, includes minimum standard of education laid down by Pharmacy Council of India known as the Education Regulation, minimum qualification for admission and condition to be fulfilled by university, approval of institute providing course and examination for the pharmacists and withdrawal of approval. The State Pharmacy Council maintains up-to-date register of pharmacists after collection of requisite fees. Under Section 42 of the Pharmacy Act, no person other than a registered pharmacist shall compound, prepare, mix, or dispense any medicine on the prescription of a medical practitioner.

FSSA and regulations framed 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 is required to provide scientific advice and technical support to the GoI 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 exercise of powers under the FSSA, FSSAI has framed, *inter alia*, the Food Safety and Standard Rules, 2011 (“FSSR”). The FSSR sets out the enforcement structure of ‘commissioner of food safety’, ‘food safety officer’ and ‘food analyst’ and procedures of taking extracts of books of accounts and other relevant documents, seizure of food articles, sampling of food articles and analysis. The Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011 provide for the conditions and procedures for registration and licensing process for food business.

Legal Metrology Act, 2009 (“LM Act”)

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 and rules framed thereunder regulate, inter alia, the labelling and packaging of commodities, verification of weights and measures used, and lists penalties for offences and compounding of offences under it. The Controller of Legal Metrology Department is the competent authority to grant the licence under the LM Act.

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. As per the definition of ‘explosives’ under the Explosives Act, 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 in order to regulate the manufacture, import, export, transport and possession for sale or use of explosives.

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. Under the Petroleum Rules, 2002, any person intending to store furnace oil/petroleum, of such class and in such quantities, otherwise than under a license shall take the approval of the Chief Controller before commencing storage.

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

The FTA seeks to increase foreign trade by regulating imports and exports to and from India. It authorizes the government to formulate as well as announce the export and import policy and to keep amending the same on a timely basis. The government has also been given a wide power to prohibit, restrict and regulate the exports and imports in general as well as specified cases of foreign trade. The FTA read with the Indian Foreign Trade Policy, 2015-20 (extended till March 31, 2022) provides that no person or company can make exports or imports without having obtained an importer exporter code (“IEC”) number unless such person or company is specifically

exempted. An application for an importer exporter code number has to be made to the Office of the Director General of Foreign Trade, Ministry of Commerce (“**DGFT**”). An importer-exporter code number allotted to an applicant is valid for all its branches, divisions, units and factories. Failure to obtain the IEC number shall attract penalty under the FTA.

The DGFT by way of a notification dated May 24, 2019 (the “**Ethyl Alcohol Notification**”), has amended the import policy of biofuels under Chapter 22, 27 and 38 of ITC(HS), 2017, Schedule -I. Pursuant to the Ethyl Alcohol Notification, the import of ethyl alcohol and other spirits, which are denatured is “restricted” for all purposes. Any import of ethyl alcohol, in a denatured form will require an import license from the DGFT.

Export Oriented Unit Scheme

The Ministry of Commerce, Government of India introduced the Export Oriented Unit (“**EOU**”) Scheme on December 31, 1980. The EOU Scheme is governed by chapter six of the Foreign Trade Policy. An EOU can import from bonded warehouses in the domestic tariff area which are outside SEZ and EOU. They are typically required to fulfil certain criteria such as achievement of positive net foreign exchange earnings cumulatively in a five-year block period. EOUs are units which must export their entire production (except permitted sales in Domestic Tariff Area). They may be engaged in the manufacture, services, development of software, trading, repair, remaking, reconditioning and re-engineering. EOUs are allowed to import or locally procure, duty free, all types of goods including capital goods, raw materials and consumables required for export production. EOU premises are approved as private warehouses under Section 58 of the Customs Act.

Special Economic Zones Act, 2005 (“SEZ Act”)

SEZs are regulated and governed by the SEZ Act. The SEZ Act has been enacted for the establishment, development and management of the SEZs for the promotion of exports. An SEZ is a specifically delineated duty-free enclave, deemed to be a foreign territory for the purposes of trade as well as duties and tariffs.

A board of approval (“**SEZ Board**”) has been set up under the SEZ Act, which is responsible for promoting the SEZ and ensuring its orderly development. The SEZ Board has a number of powers including the authority to approve proposals for the establishment of the SEZ, the operations to be carried out in the SEZ by the developer, the foreign collaborations and foreign direct investments.

The Special Economic Zones Rules, 2006 (the “SEZ Rules”)

The SEZ Rules have been enacted to effectively implement the provisions of the SEZ Act. The SEZ Rules provide for a simplified procedure for a single window clearance from central and state governments for setting up of SEZs and a “unit” in SEZ. The SEZ Rules also prescribe the procedure for the operation and maintenance of an SEZ, for setting up and conducting business therein with an emphasis on self-certification and the terms and conditions subject to which entrepreneur and developer shall be entitled to exemptions, drawbacks and concessions. The SEZ Rules also provide for the minimum area requirement for various categories of SEZs.

Environmental Legislations

We are subject to various environment regulations as the operation of our establishments might have an impact on the environment in which they are situated. The basic purpose of the statutes given below is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards (“PCBs”), which are vested with diverse powers to deal with water and air pollution, have been set up in each state and in the Centre. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation. All industries are required to obtain consent orders from the PCBs, which are required to be periodically renewed.

The Environment (Protection) Act, 1986 (“EPA”), Environment Protection Rules, 1986 (the “EP Rules”) and the Environmental Impact Assessment Notification, 2006 (“EIA Notification”)

EP Act empowers the government to take all measures to protect and improve the quality of environment, such as by laying down standards for emission and discharge of pollutants, providing for restrictions regarding areas where industries may operate and laying down safeguards for handling hazardous substances, amongst others. It is in the form of an umbrella legislation designed to provide a framework for Central Government to coordinate the activities of various central and state authorities established under previous laws. It is also in the form of an

enabling law, which delegates wide powers to the executive to frame necessary rules and regulations. Further, the EP Rules specifies, inter alia, the standards for emission or discharge of environmental pollutants, restrictions on the location of industries and restrictions on the handling of hazardous substances in different areas. For contravention of any of the provisions of the EP Act or the rules framed thereunder, the punishment includes either imprisonment or fine or both. 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.

Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)

The Water Act aims to prevent and control water pollution and to maintain or restore wholesomeness of water. 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. Any person intending to establish any industry, operation or process or any treatment and disposal system likely to discharge sewage or other pollution into a water body, is required to obtain the consent of the relevant state pollution control board by making an application.

Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)

The Air Act aims to prevent, control and abate air pollution, and stipulates that no person shall, without prior consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area. They also cannot discharge or cause or permit to be discharged the emission of any air pollutant in excess of the standards laid down by the State Boards. The Central Pollution Control Board and the state pollution control boards constituted under the Water Act perform similar functions under the Air Act as well. 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.

Noise Pollution (Regulation and Control) Rules, 2000 (“Noise Pollution Rules”)

The Noise Pollution Rules regulate and control the noise producing and generating sources including from industrial activity and sets ambient air quality standards in respect of noise for different areas/zones. The Noise Pollution Rules provide for penalties in accordance with the EP Act for use of loud speakers, public address system, among others, in a silence zone or area.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”)

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without harming the environment. Every occupier and operator of a facility generating hazardous waste must obtain authorization from the relevant state pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment 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.

Bio-Medical Waste Management Rules, 2016 (“BMW Rules”)

The BMW Rules apply 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 other form of handling of bio-medical waste in accordance with the BMW Rules and the guidelines issued thereunder

The Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996 (“Chemical Accidents Rules”)

The Chemical Accidents Rules, formulated pursuant to the provisions of the EPA, 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.

The Manufacture, Storage and Import of Hazardous Chemical Rules, 1989 (“HCR Rules”)

The HCR Rules are formulated under the EPA. The HCR Rules are applicable to an industrial activity in which a hazardous chemical which satisfies certain criteria as listed in the schedule thereto, and to an industrial activity in which there is involved a threshold quantity of hazardous chemicals as specified in the schedule thereto. The occupier of a facility where such industrial activity is undertaken has to provide evidence to the prescribed authorities that he has identified the major accident hazards and that he has taken steps to prevent the occurrence of such accident and has to provide to the persons working on the site with the information, training and equipment including antidotes necessary to ensure their safety. Where a major accident occurs on a site or in a pipeline, the occupier shall forthwith notify the concerned authority and submit reports of the accident to the said authority. Furthermore, an occupier shall not undertake any industrial activity unless he has submitted a written report to the concerned authority containing the particulars specified in the schedule to the HCR Rules at least three months before commencing that activity or before such shorter time as the concerned authority may agree.

The Public Liability Insurance Act, 1991 (“PLI Act”) & the Public Liability Insurance Rules, 1991

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 law, the owner or handler is also required to take out an insurance policy insuring against liability. The Rules made under the PLI Act mandate the employer to contribute towards the Environmental Relief Fund a sum equal to the premium paid on the insurance policies.

Labour Related Legislations

Factories Act, 1948

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.

In addition to the Factories Act, the employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following is an indicative list of labour laws which may be applicable to our Company due to the nature of the business activities:

- Shops and Establishments legislations in various states;
- Contract Labour (Regulation and Abolition) Act, 1970;
- Factories Act, 1948;
- Child Labour (Prohibition and Regulation) Act, 1986;
- Payment of Wages Act, 1936;
- Payment of Bonus Act, 1965;
- Employees’ State Insurance Act, 1948;
- Industrial Disputes Act, 1947
- Employees’ Provident Funds and Miscellaneous Provisions Act, 1952;
- Equal Remuneration Act, 1976;
- Payment of Gratuity Act, 1972;
- Minimum Wages Act, 1948;
- Employee’s Compensation Act, 1923; and
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act and Rules, 2013.

In order to rationalize and reform labour laws in India, the Government of India has framed four labour codes,

namely:

- (i) The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it 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 provisions of this code will be brought into force on a date to be notified by the Central Government.
- (ii) The Code on Wages, 2019 received the assent of the President of India on August 8, 2019 and proposes to subsume four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The Central Government has notified certain provisions of the Code on Wages, mainly in relation to the constitution of the advisory board.
- (iii) 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, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government.
- (iv) The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the Central Government.

Miscellaneous Laws

The Trade Marks Act, 1999 ("Trademarks Act")

The Trademarks Act provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement. The Trademarks Act also prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for infringement, falsifying and falsely applying for trademarks.

The Patents Act 1970 ("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

The Copyright Act, 1957, along with the Copyright Rules, 2013 ("**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.

Information Technology Act, 2000 (the "IT Act") and the rules made thereunder

The IT Act seeks to (i) provide legal recognition to transactions carried out by various means of electronic data interchange and other means of electronic communication involving alternatives to paper-based methods of communication and storage of information (ii) facilitate electronic filing of documents and (iii) create 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 IT Act recognizes contracts expressed in electronic form or by means of electronic records, protects intermediaries in respect of third party information liability, subject to certain conditions, and creates liability for failure to implement and maintain reasonable security practices in relation to handling and protecting sensitive personal data. The IT Act also prescribes civil and criminal liability including fines and imprisonment for computer related offences including those relating to unauthorized access to computer systems, tampering with or unauthorised manipulation of any computer, computer system or computer network and, damaging computer systems. The IT Act empowers the GoI to formulate rules with respect to reasonable security practices and procedures and sensitive personal data.

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.

The Indian Boilers Act, 1923 (“Boilers Act”) and the Indian Boiler Regulations, 1950 (“Boilers Regulations”)

The Boilers Act provides for inter alia the safety of life and property of persons from the danger of explosions of steam boilers and regulates the possession of steam boilers. It sets out the requirements for achieving uniformity in registration and inspection during operation and maintenance of boilers in India and provides for penalties for illegal use of boilers. The Boilers Regulations provide for inter alia, standard requirements with respect to material, construction, safety and testing of boilers.

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.

Customs Act, 1962 (“Customs Act”)

The Customs Act, as amended, regulates import of goods into and export of goods from India by providing for

levy and collection of customs duties on goods in accordance with the Customs Tariff Act, 1975. Any Company requiring to import or export goods is required to obtain an Importer Exporter Code under Foreign Trade (Development and Regulation) Act, 1992. Customs duties are administrated by Central Board of Indirect Tax and Customs under the Ministry of Finance.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was originally incorporated as ‘Macleods Pharmaceuticals Private Limited’ at Mumbai, Maharashtra as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated June 5, 1989, issued by the RoC. Thereafter, our Company was converted into a public limited company and consequently, the name of our Company was changed to ‘Macleods Pharmaceuticals Limited’ pursuant to a fresh certificate of incorporation dated January 30, 1997, issued by the RoC.

Changes in our Registered Office

The following table sets forth details of the change in the registered office of our Company since the date of its incorporation:

Date of change	Details of the address of registered office	Reason
January 20, 1997	Change in registered office from 601, Gaurishankar, Dadiseth Road, Malad (West), Mumbai - 400064 to 304, Atlanta Arcade, Marol, Church Road, Andheri (East), Mumbai - 400059, Maharashtra, India.	For smooth functioning of work.

Main Objects of our Company

The main objects contained in our Memorandum of Association are as follows:

- “To acquire, purchase and take over as a running concern the business of manufacturing and dealing in medicines, pharmaceutical products and drugs being carried on by (1) Shri Rajendra Agarwal (2) Shri Girdhari Lal Bawri (3) Smt. Ratnidevi Bawri and (4) Shri Banwarilal Bawri in partnership in the firm name and style of Messrs. Macleods Pharmaceuticals at their office at 601, Gourishankar, Dadiseth Road, Malad (W), Mumbai – 400 064, together with all the Assets and Liabilities of the said partnership concern and together with the benefits of all contracts, privileges, concessions, and registrations connected therewith, and on such take over the firm shall stand dissolved.*
- To carry on business as manufacturers of and dealers in drugs and pharmaceuticals and chemicals and as wholesale and retail chemists, formulators, druggists, analytical and pharmaceutical chemists, importers, exporters and manufacturing of and dealers and distributors in alkalies, acids, drugs, essences, pharmaceuticals, sizing, medicinals chemicals, petrochemicals, industrials and other preparations and articles, mineral and other waters, soaps, cements, oils, fats, paints, varnishes, compounds, drugs, dyestuffs organic or mineral intermediates and to manufacture, retire, manipulate, import and deal in salts and marine minerals and their derivatives by products and compounds.”*

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

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
November 15, 2021	Clause V of the Memorandum of Association of our Company was amended to reflect the sub division of the share capital of the Company from 25,000,000 equity shares of face value of ₹ 10 each to 250,000,000 equity shares of face value of ₹ 1 each.
November 29, 2021	Clause V of the Memorandum of Association of our Company was amended to reflect increase in authorised Equity Share capital of our Company from ₹ 250,000,000 divided into 250,000,000 Equity Shares to ₹ 650,000,000 divided into 650,000,000 Equity Shares.

Major Events and Milestones in the History of our Company

The table below sets forth the key events and milestones in the history of our Company:

Calendar Year	Particulars
1990	Acquisition of M/s. Macleods Pharmaceuticals, a partnership firm set up in the year 1984 by execution of the deed of partnership amongst Dr. Rajendra Agarwal, Girdharilal Bawri, Ratnadevi Bawri and Banwarilal Bawri.
1991	Setting up of a new facility in Palghar, Maharashtra
2002	Established in-house R&D unit at Mumbai.
2003	Setting up of a new manufacturing facility in Daman.
2005	Approval from Drug Controller General (India) for R&D centre for bioavailability / bioequivalence study.
2006	Setting up of subsidiary in South Africa.
2007	- Certificate of goods manufacturing practice compliance for Daman facility issued by Medicines and Healthcare Product Regulatory Agency, United Kingdom, for manufacturers located outside of the European economic area. - Setting up of an API facility in Sarigam, Valsad. - Setting up of facility in Baddi. - Setting up of subsidiary in the United Kingdom
2008	US FDA approval for Daman facility.
2010	Setting up of branch office in Kazakhstan.
2011	- Received US FDA approval for our Sarigam facility - Setting up of a subsidiary in Ukraine. - Setting up of a subsidiary in the USA
2013	Company was ranked among the top 10 Indian pharmaceutical companies (Source: IQVIA Dataset)
2015	- Setting up of a subsidiary in Spain. - Setting up of a new facility in Sikkim.
2020	- Acquisition of non-controlling stake in the P.T. Sampharindo Retroviral Indonesia. - New facility was set up in Indore, Madhya Pradesh. - Acquisition of non-controlling stake in the Makmed LLC, Russia. - Setting up of a subsidiary in Philippines. - Setting up of a subsidiary in Malaysia.
2021	- Acquisition of remaining 55% stake in Makmed LLC, Russia. - Ranked 7th in the Indian pharmaceutical market for the half year ended September 30, 2021 (Source: IQVIA Dataset)

Awards and Accreditations

Calendar Year	Award
2021	Company has been awarded with best pharma project of the year by ET Healthworld.com India Pharma World Awards.
2021	Most successful early phase research by ET Healthworld.com India Pharma World Awards for the development and approval of fixed drug combination of <i>Rifapentine 300 mg + Isoniazid 300 mg (3HP)</i> Scored Tablets.

Corporate Profile of our Company

For details in relation to our corporate profile including details of our business, profile, activities, services, market, growth, competition, technology, and managerial competence, see “Our Business”, “Our Management”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Risk Factors” on pages 158, 210, 394 and 36, respectively.

Time and cost overrun

There have been no time and cost over-runs in respect of our business operations.

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 capacity/facility creation and location of outlets of our Company and our Subsidiaries, see "Our Business" on page 158.

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 158 and 200, respectively.

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years

Except as disclosed below, 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.

Composite scheme of arrangement between our Company and Agarwal Holdings Private Limited and their respective shareholders.

Our Company had filed the Scheme of Demerger under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 with NCLT, seeking approval for the demerger of the investment business undertaking (the "**Demerged Undertaking**") of our Company and vesting of the same in Agarwal Holdings Private Limited ("**Resulting Company**"). The demerger is likely to enable the business and activities comprised in the Demerged Undertaking and remaining business and activities of the Demerged Company to be pursued and carried on with greater focus and attention through two separate companies each having its own administrative set up.

The Scheme was approved by the Board of Directors of our Company at its meeting held on February 16, 2021 in continuation of its original meeting held on February 15, 2021. The Scheme of Demerger provides for the transfer and vesting of the Demerged Undertaking (including all the estate, assets, rights including claims, title, interest and authorities including accretions and appurtenances of the Demerged Undertaking) in the Resulting Company as a going concern from the January 1, 2021 (the "**Appointed Date**").

In consideration of the demerger of the Demerged Undertaking, the Resulting Company will issue one (1) new fully paid-up equity share of the Resulting Company to every member of the Demerged Company holding one (1) fully paid up equity share in the Demerged Company and whose names appear in the register of members of the Demerged Company on the record date.

The Scheme of Demerger was sanctioned by NCLT pursuant to its order dated December 23, 2021.

Key Terms of Subsisting Shareholders Agreements

A. Key terms of the shareholders' agreements

- (1) *Shareholders' agreement dated September 5, 2019 entered into by and amongst our Company and Girdharilal Bawri, Taradevi Bawri, Vijay Agarwal, Ajay Agarwal, Shalini Kedia (collectively referred to as the "GLB Family Shareholders") and Banwarilal Bawri, Sudha Bawri, Prateek Agarwal, Anushree Agarwal (collectively referred to as the "BLB Family Shareholders"), and Dr. Rajendra Agarwal, Anju Agarwal, Dr. Ruchi Agarwal, Gauri Agarwal (collectively referred to as the "DRA Family Shareholders", together with GLB Family Shareholders and BLB Family Shareholders, the "PG Shareholder Groups") (the "Shareholders' Agreement") read with Amendment Agreement to the Shareholders' Agreement dated February 14, 2022, entered into among our Company and the PG Shareholder Groups (the "Amendment Agreement").*

The Shareholders' Agreement was executed between parties set out above to record terms and conditions for their participation in the organization, management, operations and affairs of our Company, and the terms governing their inter se relationship in respect of the shareholding, management and administration of our Company. Under the terms of the Shareholders' Agreement, GLB Family Shareholders, BLB Family Shareholders, and DRA Family Shareholders have certain rights and obligations including the following amongst others:

Board of Directors: Under the Shareholders' Agreement, the GLB Family Shareholders nominated Girdharilal Bawri, the BLB Family Shareholders nominated Banwarilal Bawri and the DRA Family Shareholders nominated Dr. Rajendra Agarwal as their respective directors on the Board and Girdharilal Bawri shall be the current Chairman of the Board, Dr. Rajendra Agarwal shall be Managing Director and Banwarilal Bawri shall be the Joint Managing Director. Each PG Shareholder Group has the right to appoint equal number of Directors on the Board and there shall be at least one director appointed by each of GLB Family Shareholders, BLB Family Shareholders and DRA Family Shareholders.

Affirmative vote: Each PG Shareholder Group has affirmative voting rights with respect to certain matters including but not limited to alteration of or amendment of any provision in the charter documents or the SHA, offering of securities by our Company, increase or decrease in the number of directors and change of business or the diversification of the business of our Company.

Restrictions on transfer of shares and lock-in: The Equity Shares held by each member of the PG Shareholder Groups are subject to lock-in till the time our Company intends to list its Equity Shares on a stock exchange in India. Further, the PG Shareholder Groups are not entitled to transfer Equity Shares held by them unless the conditions stipulated in the Shareholders' Agreement are complied with such as offering the equity shares to the other PG Shareholder Groups prior to transferring Equity Shares to third parties.

In addition to the above, the Shareholders' Agreement also provides for certain rights of the PG Shareholder Groups to receive information and documents from our Company and restrictions such as non-compete and non-solicitation on the PG Shareholder Groups. Further, the Shareholders' Agreement also include certain standard stipulations such as indemnity, confidentiality and dispute resolution.

Amendment Agreement

In view of our Company proposing to undertake an initial public offer (the “Offer”), the parties to the Shareholders' Agreement have entered into the Amendment Agreement to waive certain provisions and amend the Shareholders' Agreement. Under the Amendment Agreement, for the purposes of the Offer, the PG Shareholder Groups have agreed to waive rights under the Shareholders' Agreement including right to appoint directors, restriction on transfer of equity shares and right to affirmative vote on certain items as enlisted in the Shareholders' Agreement.

Further, the PG Shareholder Groups have agreed that with effect from the date of listing of the Equity Shares on the Stock Exchanges, which will be subject to receipt of approval by the shareholders of the Company, by way of a special resolution, at the first shareholders meeting held by our Company after listing of its Equity Shares on the Stock Exchanges, pursuant to the Offer in accordance with the applicable law, number of Directors to be nominated by the GLB Family Shareholders, the BLB Family Shareholders and the DRA Family Shareholders shall be in the proportion set out below:

Shareholding of each of the PG Shareholder Groups as a percentage of the Equity Share capital (on a fully diluted basis)	Number of directors to be nominated by GLB Family Shareholders	Number of directors to be nominated by BLB Family Shareholders	Number of directors to be nominated by DRA Family Shareholders
20% or more	Two	Two	Two
10% or more but less than 20%	One	One	One
Less than 10%	Nil	Nil	Nil

Further, the Amendment Agreement provides that the Shareholders Agreement shall stand terminated in entirety (except for the provision pertaining to nomination of Directors by each PG Shareholder Group as set out above and other surviving provisions) upon the earlier of (i) the date on which the Shareholders Agreement is terminated by the written agreement of the parties; (ii) listing of the Equity Shares of the Company on the Stock Exchanges pursuant to the Offer; or (iii) in the event the Offer is not completed on or prior to the long stop date (i.e. 12 (twelve) months from the date on which SEBI's final observations

are received on the DRHP or such other period prescribed under applicable law within which the Offer has to be undertaken, or (b) the date when the Board decides to withdraw the Offer). However, if the Offer is not completed on or prior to the long stop date, the Amendment Agreement and the waivers granted by the PG Shareholder Groups therein shall stand immediately and automatically terminated with effect from the long stop date without any further action by any party to the Amendment Agreement.

(2) ***Inter-se agreement dated February 14, 2022 entered into by and among the PG Shareholder Groups (“Inter-se Agreement”)***

The PG Shareholder Groups have entered into the Inter-se Agreement to record certain post-Offer and listing of our Company, inter-se rights and obligations of the PG Shareholder Groups between each other and other related matters. The Inter-se Agreement will become effective on the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges pursuant to the Offer without any further action.

Pursuant to the Inter-se Agreement, the PG Shareholder Groups have agreed that for achieving prescribed minimum public shareholding of our Company post listing, each party shall offer for sale to the public such number of Equity Shares in such proportion that is mutually agreed. Further, the Inter-se Agreement provides for Offer and post-Offer related expenses which shall be paid in accordance with the manner set out therein.

Further, for as long as each PG Shareholder Group holds at least 10% of the share capital of our Company and subject at all times to applicable law, the PG Shareholder Group shall mutually agree on voting prior to casting such vote and the PG Shareholder Groups shall vote only on the basis of such mutual agreement with respect to any decision in relation to the matters relating to the Company (and only to the extent that such matter requires and will be placed for approval of the shareholders of our Company under applicable law) such as further issuance of equity shares, alteration of constitutional documents, change in registered office of our Company, material change in the business of the Company, appointment of chief executive officer and/or executive director, increase in authorised share capital of the Company and adoption or amendment of employee stock option plans.

Pursuant to the Inter-se Agreement, the PG Shareholder Groups have also agreed upon certain restrictions on the transfer of Equity Shares pursuant to which each member of the PG Shareholder Group will be entitled to sell its Equity Shares to a third party only after offering its Equity Shares to members of its own PG Shareholder Group (or their affiliate(s)) at a fair value and if not accepted, then to be offered to members of other PG Shareholder Groups.

Further, the Inter-se Agreement also stipulates that the PG Shareholder Groups and their affiliates shall not, other than the entities or businesses which are mutually agreed upon among the PG Shareholder Groups, either directly and/or indirectly, at any time during the term of the Inter-se Agreement and for a period of two years from the date of termination of the Inter-se Agreement:

- a. undertake any business that directly or indirectly competes with the business undertaken by our Company along with certain related restrictions; or
- b. solicit away clients, customers, suppliers, vendors, dealers, providers of service, past or existing or potential (who has made inquiries), employees, representatives, consultants, agents and/or directors engaged in the business undertaken by our Company.

The Inter-se Agreement shall stand terminated vis-à-vis a PG Shareholder Group, in the event the shareholding of such Family falls below 10% of the fully paid-up Equity Share capital.

Our Holding Company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Our Subsidiaries and Joint Ventures

As on the date of this Draft Red Herring Prospectus, our Company has nine Subsidiaries. Further, as on the date of this Draft Red Herring Prospectus, our Company does not have any joint ventures.

1. **Macleods Pharma USA, Inc. (“MPU”)**

Corporate Information

MPU was incorporated as a corporation under the laws of the State of Delaware on November 7, 2011, with the Division of Corporations, Delaware. Its registered office is situated at 919 North Market Street, Suite 950, Wilmington, Delaware 19801, United States. It is also registered to do business in the State of New Jersey in the United States of America, with an address of 103 College Road East, 2nd Floor, Princeton, New Jersey 08540 United States.

Nature of Business

MPU is engaged in the pharmaceutical business.

Capital Structure

The authorized share capital of MPU is USD 75,000 divided into 75,000 common shares of par value USD 1 each and its issued and subscribed capital is USD 60,000 divided into 60,000 common shares of par value USD 1 each.

Shareholding

Our Company holds 60,000 common shares in MPU which is equivalent to 100% of its issued and subscribed capital.

The shareholding pattern as on the date of this Draft Red Herring Prospectus is set out below:

Name of the shareholder	No. of shares of par value of USD 1 each	% of total issued and subscribed capital (on a fully diluted basis)
Macleods Pharmaceuticals Limited	60,000	100.00
Total	60,000	100.00

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of MPU that have not been accounted for or consolidated by our Company.

2. **Macleods Pharmaceuticals Limited, LLC (“MPLLC”)**

Corporate Information

MPLLC was incorporated as a limited liability company in compliance with Ukrainian law on May 25, 2011. Its registered office is situated at 02092, Kyiv, Oleksa Dovbush Street, 37.

Nature of Business

MPLLC is engaged in the business of wholesale of pharmaceutical goods. The objects of MPLLC in terms of its constitutional documents are wholesale of pharmaceutical goods, non-specialised wholesale trade retail sale of pharmaceutical goods in specialised stores, warehousing, market research and identification of public opinion, advertising, business and other management consultancy activities, activities in the field of public relations.

Capital Structure

The issued, and subscribed capital of the Company is UAH 400,000.

Shareholding

Our Company holds 100% shares in MPLLC.

The shareholding pattern as on the date of this Draft Red Herring Prospectus is set out below:

Name of the shareholder	% of total issued and subscribed capital (on a fully diluted basis)
Macleods Pharmaceuticals Limited	100.00
Total	100.00

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of MPLLC that have not been accounted for or consolidated by our Company.

3. Macleods Pharma UK Limited (“MPUK”)

Corporate Information

MPUK was incorporated as a limited company under the Companies Act, 1985 on December 17, 2007, with the Registrar of Companies for England and Wales. Its registered office is situated at Wynyard Park House, Wynyard Avenue, Wynyard, Billingham, TS22 5TB, England, United Kingdom.

Nature of Business

MPUK is engaged in the business of wholesale trade of pharmaceutical goods and formulations and any other business as a general commercial company as authorized under the constitutional documents.

Capital Structure

The authorized share capital of MPUK is GBP 1000 divided into 1000 shares of GBP 1 each and its issued, subscribed and paid up equity share capital is GBP 100 divided into 100 equity shares of GBP 1 each.

Shareholding

Our Company holds 100 equity shares in MPUK, which is equivalent to 100% of its issued and paid up equity share capital.

The shareholding pattern 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 of 1 GBP each	% of total equity share capital
Macleods Pharmaceuticals Limited	100	100.00
Total	100	100.00

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of MPUK that have not been accounted for or consolidated by our Company.

4. Macleods Pharma Espana SLU, Spain (“MPESS”)

Corporate Information

MPESS was incorporated as a limited liability Company having only one shareholder under the laws of Spain on September 8, 2015, with the Spanish Ministry of Economy, Directorate General for Trade & Investments. Its registered office is situated at AV Diagonal No.468, 6 A, 08006, Barcelona, Spain.

Nature of Business

MPESS is engaged in the acquisition, purchase and sale of medicines and pharmaceutical supply business as authorized under the constitutional documents.

Capital Structure

The authorized share capital of MPESS is 3,000 Euros divided into 3,000 shares of 1 Euro each and its issued, subscribed and paid up share capital is 3,000 Euros divided into 3,000 shares of 1 Euro each.

Shareholding

Our Company holds 3,000 shares in MPES, which is equivalent to 100% equity share capital in MPES.

The shareholding pattern 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 of 1 Euro each	% of total equity share capital
Macleods Pharmaceuticals Limited	3000	100.00
Total	3000	100.00

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of MPES that have not been accounted for or consolidated by our Company.

5. Macleods Pharmaceuticals SA (Pty) Ltd (“MPSA”)

Corporate Information

MPSA was incorporated as a private company under the Companies Act, 1973 under the laws of Republic of South Africa on May 11, 2006, with the Registrar of Companies, South Africa. Its registered office is situated at 1 Cussonia Drive, Bassonia Rock, Alberton, Gauteng, 2061, South Africa.

Nature of Business

MPSA is engaged in the business of producing and marketing pharmaceuticals.

Capital Structure

The authorized share capital of MPSA is 1429 ZAR divided into 1429 shares of 1 ZAR each and its issued, subscribed and paid up equity share capital is 1429 ZAR divided into 1429 equity shares of 1 ZAR each.

Shareholding

Our Company holds 1,000 equity shares in MPSA which is equivalent to 69.98% of its issued and paid up equity share capital.

The shareholding pattern as on the date of this Draft Red Herring Prospectus is set out below:

S. No.	Name of the shareholder	No. of equity shares of face value of 1 ZAR each	% of total equity share capital
1.	Macleods Pharmaceuticals Limited	1,000	69.98
2.	Ubuntu Trust	429	30.02
Total		1,429	100.00

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of MPSA that have not been accounted for or consolidated by our Company.

6. Oxus Pharma Limited, Nigeria (“Oxus”)

Corporate Information

Oxus was incorporated as a private company under the Companies and Allied Matters Act, 1990 on April 30, 2019, with the Corporate Affairs Commission, Federal Republic of Nigeria. Its registered office is situated at 270, Ikorodu Road, Ikorodu, Lagos, Nigeria.

Nature of Business

Oxus is engaged in the business of pharmaceutical services (or chemists of any description whatsoever),

manufacturer, importer, exporter etc. as authorized under the objects clause of its memorandum of association.

Capital Structure

The authorized share capital of Oxus is Naira 10,000,000 divided into 10,000,000 shares of 1 Naira each and its issued, subscribed and paid up equity share capital is Naira 10,000,000 divided into 10,000,000 equity shares of 1 Naira each.

Shareholding

Our Company holds 9,999,999 equity shares in Oxus, which is equivalent to 100% of its issued and paid up equity share capital.

The shareholding pattern as on the date of this Draft Red Herring Prospectus is set out below:

S. No.	Name of the shareholder	No. of equity shares of face value of 1 Naira each	% of total equity share capital
1.	Macleods Pharmaceuticals Limited	9,999,999	100.00
2.	Vijay Agarwal (as a nominee of Macleods Pharmaceuticals Limited)	1	Negligible
Total		10,000,000	100.00

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of Oxus that have not been accounted for or consolidated by our Company.

7. Macleods Pharmaceuticals Sdn. Bhd., Malaysia (“MPSB”)

Corporate Information

MPSB was incorporated as a private company under the Companies Act, 2016 on January 9, 2020, with the Registrar of Companies Malaysia. Its registered office is situated at A2271, Soho Suites KLCC, Jalan Perak, 50450 Kuala Lumpur, Wilayah Persekutuan, Kuala Lumpur, Malaysia.

Nature of Business

MPSB is engaged in the business of importation, distribution, sale and marketing of pharmaceutical and nutraceutical products as stated in its registration documents.

Capital Structure

The issued and paid up equity share capital of MPSB is Ringgit 100 divided into 100 equity shares of 1 Ringgit each.

Shareholding

Our Company holds 100 equity shares in MPSB, which is equivalent to 100% of its issued and paid up equity share capital.

The shareholding pattern 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 of 1 Ringgit each	% of total equity share capital
Macleods Pharmaceuticals Limited	100	100.00
Total	100	100.00

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of MPSB that have not been accounted for or consolidated by our Company.

8. **Macleods Pharmaceuticals Philippines Inc. (“MPPI”)**

Corporate Information

MPPI was incorporated as a stock corporation under the laws of Republic of Philippines on December 3, 2020 and registered with the Securities and Exchange Commission. Its registered office is situated at 14/F E-Square Zone, Net Cube Centre, 3rd Avenue Corner, 30th Street, Bonifacio Global City, Taguig City, Fourth District, National Capital Region (NCR), 1634, Philippines.

Nature of Business

MPPI is engaged in the business of wholesale trade of pharmaceutical products and formulations as authorized under the objects clause of its articles of incorporation.

Capital Structure

The authorized share capital of MPPI is Pesos 10,000,000 divided into 10,000,000 shares of 1 Peso each and its issued, subscribed and paid up equity share capital is Pesos 10,000,000 divided into 10,000,000 equity shares of 1 Peso each.

Shareholding

Our Company holds 9,999,998 equity shares in MPPI, which is equivalent to 100% of its issued and paid up equity share capital.

The shareholding pattern as on the date of this Draft Red Herring Prospectus is set out below:

S. No.	Name of the shareholder	No. of equity shares of face value of 1 Peso each	% of total equity share capital
1.	Macleods Pharmaceuticals Limited	9,999,998	100.00
2.	Vijay Agarwal (as a nominee of Macleods Pharmaceuticals Limited.)	1	Negligible
3.	Ajay Agarwal (as a nominee of Macleods Pharmaceuticals Limited.)	1	Negligible
Total		10,000,000	100.00

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of MPPI that have not been accounted for or consolidated by our Company.

9. **Makmed LLC, Russia (“Makmed”)**

Corporate Information

Makmed was incorporated as a limited liability company under the Russian Federation on September 30, 2019, with the Unified State Register of Legal Entities, Russia. Its registered office is situated at Floor 2 Room 215, Building 4, House 28, Ochakovsky Highway, Moscow City 119530, Russia.

Nature of Business

Makmed is engaged in the business of wholesale trade of pharmaceutical goods and formulations as authorized under the constitutional documents.

Capital Structure

The authorized share capital of Makmed is 10,000 Rubles and its issued, subscribed and paid up share capital is 10,000 Rubles.

Shareholding

Our Company holds 100% equity share capital in Makmed.

The shareholding pattern as on the date of this Draft Red Herring Prospectus is set out below:

Name of the shareholder	% of total equity share capital
Macleods Pharmaceuticals Limited	100.00
Total	100.00

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of Makmed that have not been accounted for or consolidated by our Company.

Further, our Company is in the process of setting up two subsidiaries: (a) “Oxus Pharma Limited” in Kenya, wherein our Company has subscribed to 75,000 ordinary shares as a subscriber to its memorandum of association and; (b) “Oxus Pharmaceuticals (Pty) Limited” in South Africa, wherein our Company has subscribed to 1,000 shares as a subscriber to the Memorandum of Association. For details see “*Restated Consolidated Financial Information –Related Party Disclosures*” on page 323.

Details of guarantees given to third parties by our Promoter Selling Shareholders

Our Promoter Selling Shareholders have not given any guarantees to third parties.

Agreements with Key Managerial Personnel, Director, Promoters, or any other employee

Our Company has not entered into any agreements with Key Managerial Personnel, Director, Promoters, or any other employee with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Our Company has not entered into any material agreement with including strategic partners, joint venture partners or financial partners, to the extent applicable, other than in the ordinary course of business.

OUR MANAGEMENT

In terms of the Articles of Association, the maximum number of Directors that our Company can have shall be not less than three and not be more than fifteen. As on the date of this Draft Red Herring Prospectus, our Board comprises of three Executive Directors and three Independent Directors. One of our six Directors is a woman Director.

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

S. No.	Name, DIN, designation, term/period of directorship, address, occupation	Other Directorships
1.	Dr. Mihir Shah Designation: Chairman and Independent Director Term: With effect from July 1, 2021 for a period of five years Period of Directorship: Director since July 1, 2016 Address: B/105, Shivsagar Building, No – 30, Tilak Nagar, Chembur, Mumbai, Maharashtra – 400 089. Occupation: Medical Consultant Date of Birth: January 12, 1983 DIN: 07586469 Age: 39 years	Nil
2.	Girdharilal Bawri Designation: Founder Executive Director Term: With effect from April 1, 2020, for a period of five years Period of Directorship: Director since May 22, 1990 Address: Plot No. 7, Rd No. 12A, Opposite Juhu Gymkhana, JVPD Juhu, Vile Parle West, Mumbai, Maharashtra – 400 049. Occupation: Service Date of Birth: August 3, 1947 DIN: 00034197 Age: 74 years	• Agarwal Holdings Private Limited • Macleods Social Welfare Foundation
3.	Banwarilal Bawri Designation: Founder Joint Managing Director Term: With effect from April 1, 2020, for a period of five years Period of Directorship: Director since June 5, 1989 Address: Plot No.7, Road No. 12A, Opposite Juhu Gymkhana JVPD, Vile Parle West, Mumbai, Maharashtra – 400 049. Occupation: Service Date of Birth: April 2, 1953 DIN: 00017795	• Agarwal Holdings Private Limited • East and West Clothing Private Limited • Macleods Laboratories Private Limited

S. No.	Name, DIN, designation, term/period of directorship, address, occupation	Other Directorships
	Age: 68 years	
4.	Dr. Rajendra Agarwal Designation: Founder Managing Director Term: With effect from April 1, 2020, for a period of five years Period of Directorship: Director since June 5, 1989 Address: Plot No.7, Road No. 12-A, Opposite Juhu Gymkhana JVPD, Vile Parle West, Mumbai, Maharashtra – 400 049. Occupation: Service Date of Birth: February 25, 1959 DIN: 00034224 Age: 62 years	• Agarwal Holdings Private Limited • East and West Clothing Private Limited • Macleods Laboratories Private Limited • Macleods Social Welfare Foundation
5.	Arvind Sadashiv Mokashi Designation: Independent Director Term: With effect from February 9, 2022 for a period of five years Period of Directorship: Director since February 9, 2022 Address: 301/302 Imperia Homes, Shivaji Nagar Road, Santacruz (E), Vakola, Mumbai - 400 055 Occupation: Financial consultant Date of Birth: June 25, 1961 DIN: 09305967 Age: 60 years	• Credit Wise Capital Private Limited • Terracis Technologies Limited • India Debt Resolution Company Limited
6.	Vinita Mayur Danait Designation: Independent Director Term: With effect from February 9, 2022 for a period of five years Period of Directorship: Director since February 9, 2022 Address: A-402, Park Avenue Building, Mahatma Phule Cross Road, Vile Parle (East), Mumbai – 400 057 Occupation: Business consultant and practising chartered accountant Date of Birth: July 31, 1977 DIN: 00216529 Age: 44 years	Nil

Brief Biographies of Directors

Dr. Mihir Shah is the Chairman and Independent Director of our Company. He holds a M.B.B.S degree from M.I.M.E.R. Medical College, Talegaon, Pune, MUHS and a postgraduate degree (M.D.) in General Medicine from J.S.S. Medical College, Mysore, RGUHS. He has received best free paper award in Nephrology category in 2011 at KAPICON (Karnataka State Conference). He is currently associated with Apollo Clinic as a consulting medical practitioner. He was appointed to our Board of Directors with effect from July 01, 2016.

Girdharilal Bawri is the Founder Executive Director of our Company. He holds a certificate of being a registered pharmacist granted by the Rajasthan Pharmacy Council, Jaipur. He has been associated with Bawri Medical Depot and Jaipur Hospital Drug Store as a partner. He has over 37 years of experience in the pharmaceutical industry. He has been associated with our Company since its inception as founding member and has vast experience in the field of accounts and finance. He was re-appointed to our Board of Directors with effect from April 1, 2020.

Banwarilal Bawri is the Founder Joint Managing Director of our Company. He holds a certificate of being a registered pharmacist granted by the Rajasthan Pharmacy Council, Jaipur. He has been a partner of Bawri Medical Depot and acts as the karta of the Banwarilal Bawri HUF which is a partner of Oxalis Labs. He has over 37 years of experience in the pharmaceutical industry. He has been associated with our Company since its inception as founding member and has vast experience in the field of sales and distribution. He was re-appointed to our Board of Directors with effect from April 1, 2020.

Dr. Rajendra Agarwal is the Founder Managing Director of our Company. He holds a MBBS Degree from Rajasthan University, Jaipur. He has over 37 years of experience in business and the pharmaceuticals industry. He has been associated with our Company since its inception as founding member and has vast experience in the field of pharmaceutical research and development, manufacturing, distribution and administration. He was re-appointed to our Board of Directors with effect from April 1, 2020.

Arvind Sadashiv Mokashi is an Independent Director of our Company. He holds a bachelor's degree in commerce (honours) from Shivaji University, Kolhapur (Maharashtra) and is a certified associate from Indian Institute of Bankers. He has completed the Advance Management Program from the Stern School of Business, New York University, and Leadership Development Program from Indian School of Business, Hyderabad. He has over 39 years of experience in the banking industry. He has handled many important assignments in the State Bank of India, which includes general manager and regional head of corporate accounts group, DGM and head of IFB, Hyderabad and head of commercial branch, Mumbai, AGM and head of Bombay Reclamation Branch, and AGM and head of SMECC, Mumbai, etc. He retired as Chief General Manager, Credit Review Department, the Head of the apex body in credit sanction process in State Bank of India, Corporate Centre, Mumbai. He has extensive expertise in banking, especially in corporate credit, SME credit and branch administration. He is currently associated with India Debt Resolution Company Limited as a Nominee Director and holds few directorships in other companies including Saraswat Co-Operative Bank Limited. He was appointed to our Board of Directors with effect from February 9, 2022.

Vinita Mayur Danait is an Independent Director of our Company. She is a chartered accountant and has been a member of the Institute of Chartered Accountants of India since August 17, 1999. She is a registered valuer for securities or financial assets with the Insolvency and Bankruptcy Board of India since December 16, 2019. She has over 20 years of experience as a practising chartered accountant in audit, accounts and finance. She provides business advisory services in FEMA, international tax, NRI tax planning, setting up business and compliance support in India for foreign Companies. She is currently associated as a Managing Partner of Naik Danait and Associates, Chartered Accountants, Mumbai. She has also worked with CC Chokshi and Co. She was appointed to our Board of Directors with effect from February 9, 2022.

Relationship between our Directors and Key Managerial Personnel

Except for the following, none of our Directors or Key Managerial Personnel are related to each other or to any of the Key Managerial Personnel:

- (i) Girdharilal Bawri, Banwarilal Bawri and Dr. Rajendra Agarwal are brothers;
- (ii) Vijay Agarwal and Ajay Agarwal are sons of Girdharilal Bawri; and
- (iii) Prateek Agarwal is the son of Banwarilal Agarwal.

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.

Except for (i) Girdharilal Bawri (nominated by GLB Family Shareholders in terms of Shareholders' Agreement); (ii) Banwarilal Bawri (nominated by BLB Family Shareholders in terms of Shareholders' Agreement); and (iii) Dr. Rajendra Agarwal (nominated by DRA Family Shareholders in terms of Shareholders' Agreement), there is no arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any of our other Directors were appointed on the Board.

Further, our Directors have neither been identified as Wilful Defaulters nor have been identified as Fraudulent Borrowers, as defined under the SEBI ICDR Regulations.

Terms of Appointment of our Executive Directors

Girdharilal Bawri

Pursuant to the resolution passed by the Board on March 6, 2020 and the Shareholders on March 30, 2020, Girdharilal Bawri was re-appointed as Chairman of our Company and his re-appointment and terms of remuneration was fixed as per the provisions of sections 196, 197 and 203 and all other applicable provisions of the Companies Act and Companies (Appointment and Qualification of Directors) Rules, 2014. Further, in terms of the Companies Act, 2013, consent of the Shareholders by way of a special resolution dated March 30, 2020 was obtained for his re-appointment as Chairman pursuant to Section 196(3) of the Companies Act, as amended. Subsequently, pursuant to the resolution passed by the Board on February 3, 2022, Girdharilal Bawri has been re-designated as a Founder Executive Director of our Company. Girdharilal Bawri is entitled to receive remuneration by way of basic pay, perquisites and other allowances.

The overall remuneration payable to Girdharilal Bawri was fixed as follows:

Remuneration	
Particulars	Amount (in ₹)
Basic salary:	₹150,000,000 per annum
Special allowance:	₹75,000,000 per annum
Employer PF:	₹21,600 per annum
Other Allowances:	₹75,100,000 per annum
Perquisites	
Accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, together with utilities such as gas, telephone, water, furnishings and repairs, leave travel concession for himself and his family, club fees, medical insurance, etc. in accordance with the rules of our Company or as may be agreed to by the Board of Directors, such perquisites for each year not to exceed his annual salary. The perquisites value is over and above the annual remuneration.	
For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income-tax Rules, wherever applicable, and in the absence of such rules, perquisites shall be evaluated at actual cost.	
Provision of the Company's car with driver and telephone for use on Company's business, telephone at residence and cellular phone provided by the Company will not be considered as perquisite. However, personal long-distance calls and use of car for private purposes shall be borne by the Director.	
Contribution to the Provident Fund and Superannuation Fund, Gratuity, etc. as per rules of the Company, to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.	
Reimbursement of entertainment, traveling and all other expenses incurred for the business of the Company, as per rules of the Company.	

Banwarilal Bawri

Pursuant to the resolution passed by the Board on March 6, 2020, Banwarilal Bawri was re-appointed as Joint Managing Director of our Company. Further, the Shareholders at the EGM held on March 30, 2020, have approved and regularised his re-appointment with effect from April 1, 2020 for a period of five years. Subsequently, Banwarilal Bawri was re-designated as Founder Joint Managing Director, pursuant to a resolution passed by our

Board in its meeting dated February 3, 2022. Banwarilal Bawri is entitled to receive remuneration by way of basic pay, perquisites and other allowances. Pursuant to the resolution passed by the Board on March 6, 2020 and the Shareholders on March 30, 2020, his re-appointment and terms of remuneration was fixed as per the provisions of sections 196, 197 and 203 and all other applicable provisions of the Companies Act and Companies (Appointment and Qualification of Directors) Rules, 2014.

The overall remuneration payable to Banwarilal Bawri was fixed as follows:

Remuneration	
Particulars	Amount (in ₹)
Basic salary:	₹150,000,000 per annum
Special allowance:	₹75,000,000 per annum
Employer PF:	₹21,600 per annum
Other Allowances:	₹75,100,000 per annum
Perquisites	
Accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, together with utilities such as gas, telephone, water, furnishings and repairs, leave travel concession for himself and his family, club fees, medical insurance, etc. in accordance with the rules of our Company or as may be agreed to by the Board of Directors, such perquisites for each year not to exceed his annual salary. The perquisites value is over and above the annual remuneration.	
For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income-tax Rules, wherever applicable, and in the absence of such rules, perquisites shall be evaluated at actual cost.	
Provision of the Company's car with driver and telephone for use on Company's business, telephone at residence and cellular phone provided by the Company will not be considered as perquisite. However, personal long-distance calls and use of car for private purposes shall be borne by the Director.	
Contribution to the Provident Fund and Superannuation Fund, Gratuity, etc. as per rules of the Company, to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.	
Reimbursement of entertainment, traveling and all other expenses incurred for the business of the Company, as per rules of the Company.	

Dr. Rajendra Agarwal

Pursuant to the resolution passed by the Board on March 6, 2020, Dr. Rajendra Agarwal was re-appointed as Managing Director of our Company. Further, the Shareholders at the EGM held on March 30, 2020, have approved and regularised his re-appointment with effect from April 1, 2020 for a period of five years. Subsequently, Dr. Rajendra Agarwal was re-designated as Founder Managing Director, pursuant to a resolution passed by our Board in its meeting dated February 3, 2022. Dr. Rajendra Agarwal is entitled to receive remuneration by way of basic pay, perquisites and other allowances. Pursuant to the resolution passed by the Board on March 6, 2020 and the Shareholders on March 30, 2020, his re-appointment and terms of remuneration was fixed as per the provisions of sections 196, 197 and 203 and all other applicable provisions of the Companies Act and Companies (Appointment and Qualification of Directors) Rules, 2014.

The overall remuneration payable to Dr. Rajendra Agarwal was fixed as follows:

Remuneration	
Particulars	Amount (in ₹)
Basic salary:	₹150,000,000 per annum
Special allowance:	₹75,000,000 per annum
Employer PF:	₹21,600 per annum
Other Allowances:	₹75,100,000 per annum
Perquisites	
Accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, together with utilities such as gas, telephone, water, furnishings and repairs, leave travel concession for himself and his family, club fees, medical insurance, etc. in accordance with the rules of our Company or as may be agreed to by the Board of Directors, such perquisites for each year not to exceed his annual salary. The perquisites value is over and above the annual remuneration.	
For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income-tax Rules, wherever applicable, and in the absence of such rules, perquisites shall be evaluated at actual cost.	
Provision of the Company's car with driver and telephone for use on Company's business, telephone at residence and cellular phone provided by the Company will not be considered as perquisite. However, personal long-distance calls and use of car for private purposes shall be borne by the Director.	

Remuneration
Contribution to the Provident Fund and Superannuation Fund, Gratuity, etc. as per rules of the Company, to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.
Reimbursement of entertainment, traveling and all other expenses incurred for the business of the Company, as per rules of the Company.

Payment or benefit to Directors of our Company

Details of the sitting fees or other remuneration paid to our Directors in Financial Year 2021 are set forth below.

i. Remuneration to our Executive Directors

Details of the remuneration paid to our Executive Directors in the Financial Year 2021 are set forth below:

S. No.	Name of Executive Director	Remuneration (in ₹ million)
1.	Girdharilal Bawri	316.03
2.	Banwarilal Bawri	316.03
3.	Dr. Rajendra Agawal	316.03

ii. Remuneration to our Non-Executive Directors

Pursuant to the resolution passed by our Board on February 3, 2022 and the resolution passed by our Shareholders on February 9, 2022, each Independent Director is entitled to receive remuneration by way of fees for attending meetings of the Board and committees thereof, and commission, within the limits prescribed under the Companies Act, and the rules made thereunder, in such manner and to an extent that the total compensation being paid during a financial year does not exceed ₹ 1.5 million or as may be decided by the Board.

The details of remuneration paid to our Non-Executive Directors, including our Independent Directors during Financial Year 2021 are as follows:

S. No.	Name of Director	Sitting Fees (in ₹ million)	Commission (in ₹ million)	Total Remuneration (in ₹ million)
1.	Dr. Mihir Shah	0.16	Nil	0.16

There is no contingent or deferred compensation payable to any of our Directors which accrued in Fiscal 2021.

Remuneration paid to our Directors by our Subsidiaries or Associates

As on the date of this Draft Red Herring Prospectus, none of our Directors are entitled to remuneration from our Subsidiaries or Associates. None of our Directors received any remuneration from our Subsidiaries or Associates in Fiscal 2021. Further, there is no contingent or deferred compensation payable to any of our Directors by our Subsidiaries or Associates which accrued in Fiscal 2021.

Bonus or profit-sharing Plan of the Directors

Our Company does not have any bonus or profit sharing plan for our Directors. For details of the performance bonus payable to them as a part of their respective remuneration, see “Our Management - Terms of appointment of our Executive Directors” on page 213.

Shareholding of Directors in our Company

As on the date of this Draft Red Herring Prospectus, none of our Directors hold any Equity Shares, except as disclosed below:

Name of the Director	Number of Equity Shares held
Girdharilal Bawri	63,070,800
Banwarilal Bawri	88,667,400
Dr. Rajendra Agarwal	52,281,300

Our Articles of Association do not require our Directors to hold any qualification shares.

Shareholding of Directors in our Subsidiaries

As on the date of this Draft Red Herring Prospectus, none of our Directors hold any equity shares in our Subsidiaries.

Interests of Directors

All our Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them by our Company as well as sitting fees, if any, payable to them for attending meetings of our Board or Committees thereof. For further details, see “ – *Terms of Appointment of our Executive Directors*” and “ – *Payment or benefit to Directors of our Company*”, on pages 213 and 215, respectively.

Our Directors may also be interested to the extent of Equity Shares, if any (together with dividends in respect of such Equity Shares), held by them.

Further, certain of our Directors are also shareholders, members and directors and may be deemed to be interested to the extent of the payments made by our Company to such Promoter Group entities and the shareholding of such Promoter Group entities, if any and dividends declared thereon. For the payments that are made by our Company to our Directors, see “*Restated Consolidated Financial Information –Related Party Disclosures*” on page 323.

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, 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, in connection with the promotion or formation of our Company.

Further, as on date of this Draft Red Herring Prospectus, our Company has granted a loan of ₹ 902.63 million to AHPL for undertaking its principal business activities, pursuant to a resolution passed by our Board in its meeting dated May 29, 2021 and a special resolution passed by our Shareholders in the EGM held on June 30, 2021. Executive Directors of our Company, Girdharilal Bawri, Banwarilal Bawri and Dr. Rajendra Agarwal, are directors on the board of directors of AHPL and are interested to the such extent of loans availed by AHPL. For more details, see “*Restated Consolidated Financial Information –Related Party Disclosures*” on page 323.

None of our Directors have any interest in any property acquired or proposed to be acquired of our Company except as disclosed in the “*Restated Consolidated Financial Information –Related Party Disclosures*” on page 323.

Except Girdharilal Bawri, Banwarilal Bawri and Dr. Rajendra Agarwal, who are the Promoters of our Company, none of our Directors have any interests in the promotion or formation of 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
Dr. Ruchi Agarwal	February 9, 2022	Resignation as Non-Executive Director
Dr. Pradeep Gadge	February 9, 2022	Resignation as Independent Director
Arvind Sadashiv Mokashi	February 9, 2022	Appointment as Independent Director
Vinita Mayur Danait	February 9, 2022	Appointment as Independent Director
Girdharilal Bawri	February 3, 2022	Re-designation as Founder Executive Director
Banwarilal Bawri	February 3, 2022	Re-designation as Founder Joint Managing Director
Dr. Rajendra Agarwal	February 3, 2022	Re-designation as Founder Managing Director
Dr. Mihir Shah	February 3, 2022	Appointment as Chairman
Dr. Mihir Shah	July 1, 2021	Re-appointment as Independent Director
Dr. Pradeep Gadge	June 29, 2020	Appointment as Independent Director
Girdharilal Bawri	April 1, 2020	Re-appointment as Chairman
Banwarilal Bawri	April 1, 2020	Re-appointment as Joint Managing Director
Dr. Rajendra Agarwal	April 1, 2020	Re-appointment as Managing Director
Dr. Ruchi Agarwal	March 30, 2020	Re- appointment as Non- Executive Woman Director
Dr. Ashok Mahashur	March 30, 2020	Retirement as Independent Director

Borrowing Powers of Board

In accordance with the provisions of the Articles of Association, the Board may, borrow or raise any monies required for the purpose of our Company upon such terms and in such manner with or without security as it may determine.

Corporate Governance

The provisions of the SEBI Listing Regulations with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and other applicable regulations of SEBI, in respect of corporate governance including in respect of the constitution of the Board and Committees thereof, and formulation and adoption of policies. Our Board has been constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations.

As on the date of this Draft Red Herring Prospectus, our Board comprises of three Executive Directors and three Independent Directors. 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.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of SEBI Listing Regulations and the Companies Act, 2013.

Committees of the Board

Details of the Committees are set forth below. In addition to the Committees detailed below, our Board of Directors may, from time to time constitute Committees for various functions.

Audit Committee

The members of the Audit Committee are:

1. Vinita Mayur Danaït (*Independent Director*), Chairperson;
2. Arvind Sadashiv Mokashi (*Independent Director*), Member;
3. Dr. Mihir Shah (*Independent Director*), Member; and
4. Girdharilal Bawri (*Founder Executive Director*), Member.

The Audit Committee was constituted pursuant to resolution passed by our Board in its meeting held on February 3, 2022. 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 resolution passed by our Board in its meeting held on February 3, 2022 are set forth below:

1. The recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. Examination of the financial statement and the auditors' report thereon;
4. Approval or any subsequent modification of transactions of the Company with related parties;
5. Scrutiny of inter-corporate loans and investments;
6. Valuation of undertakings or assets of the Company, wherever it is necessary;
7. Evaluation of internal financial controls and risk management systems;
8. Monitoring the end use of funds raised through public offers and related matters.
9. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
10. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
11. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

- a. Matters required to be included in the director's responsibility statement to be included in the board's report in terms of section 134(3)(c) of the Companies Act;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgement by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Modified opinion(s) in the draft audit report;
12. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
 13. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
 14. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 15. 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;
 16. Discussion with internal auditors of any significant findings and follow up there on;
 17. 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;
 18. 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;
 19. 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;
 20. To review the functioning of the whistle blower mechanism;
 21. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
 22. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
 23. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 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.
 24. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
 25. Review of management discussion and analysis of financial condition and results of operations; and
 26. Review of statement of significant related party transactions (as defined by the audit committee), submitted by management;
 27. Review of management letters/ letters of internal control weaknesses issued by the statutory auditors;
 28. Review of internal audit reports relating to internal control weaknesses;
 29. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;

30. 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);
- (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7); and

31. Carrying out such other functions and/or prescribed by the Board from time to time or specified/provided under the Companies Act, 2013 or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended or by any other regulatory authority.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

- 1. Arvind Sadashiv Mokashi (*Independent Director*), Chairman;
- 2. Vinita Mayur Danait (*Independent Director*), Member; and
- 3. Dr. Mihir Shah (*Independent Director*), Member.

The Nomination and Remuneration Committee was constituted pursuant to a resolution passed by our Board in its meeting held on February 3, 2022. 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 resolution passed by our Board in its meeting held on February 3, 2022 are set forth below:

- 1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

The Nomination and Remuneration Committee, while formulating the above 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 the 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;
- 2. Formulating criteria for evaluation of performance of independent directors and the Board of Directors;
 - 3. Devising a policy on diversity of Board;
 - 4. 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 of Directors their appointment and removal and shall specify the manner for effective evaluation of performance of the Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
 - 5. Extending or continuing the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
 - 6. Recommending to the Board, all remuneration, in whatever form, payable to senior management;
 - 7. Administering, monitoring and formulating detailed terms and conditions of the employee stock option plans adopted by the Company;
 - 8. Carrying out such other functions and/or prescribed by the Board from time to time or specified/provided under the Companies Act, 2013 or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended or by any other regulatory authority.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Dr. Mihir Shah (*Independent Director*), Chairman;
2. Girdharilal Bawri (*Founder Executive Director*), Member; and
3. Banwarilal Bawri (*Founder Joint Managing Director*), Member.

The Stakeholders' Relationship Committee was constituted pursuant to resolution passed by our Board in its meeting held on February 3, 2022. 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 resolution passed by our Board in its meeting held on February 3, 2022 are set forth below:

1. To resolve 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. and assisting with quarterly reporting of such complaints;
2. To review measures taken for effective exercise of voting rights by shareholders;
3. To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. To review 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
5. Carrying out such other functions and/or prescribed by the Board from time to time or specified/provided under the Companies Act, 2013 or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended or by any other regulatory authority. The Committee shall review and discuss with management the disclosures required to be included in the Director's report, as specified in the Companies Act, 2013 and the Rules thereunder."

Risk Management Committee

The members of the risk management committee are:

1. Girdharilal Bawri (*Founder Executive Director*), Chairman;
2. Dr. Rajendra Agarwal (*Founder Managing Director*), Member;
3. Arvind Mokashi (*Independent Director*), Member; and
4. Vijay Agarwal (*Chief Executive Officer*), Member.

The Risk Management Committee was constituted pursuant to resolution passed by our Board in its meeting held on February 3, 2022. 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 resolution passed by our Board in its meeting held on February 3, 2022 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 listed entity, 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 Risk Management Committee;
 - b. Measures for risk mitigation including systems and processes for internal control of identified risks; and
 - 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; and
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. Carrying out such other functions and/or prescribed by the Board from time to time or specified/provided under the Companies Act, 2013 or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended or by any other regulatory authority. The Committee shall review and discuss with management the disclosures required to be included in the Directors report, as specified in the Companies Act, 2013 and the Rules thereunder.

Corporate Social Responsibility Committee

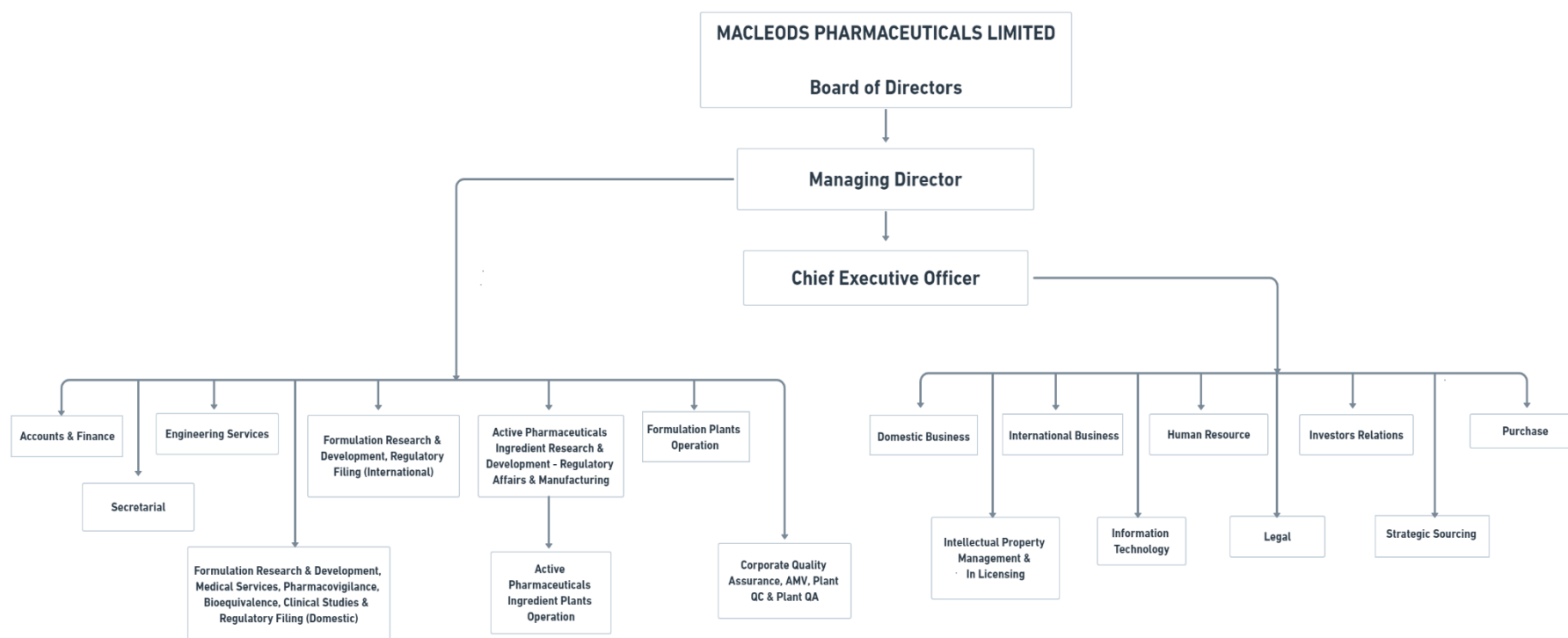
The members of the corporate social responsibility committee are:

1. Banwarilal Bawri (*Founder Joint Managing Director*), Chairman;
2. Dr. Rajendra Agarwal (*Founder Managing Director*), Member; and
3. Dr. Mihir Shah (*Independent Director*), Member.

The constitution of the corporate social responsibility committee was noted by our Board pursuant to resolution passed by our Board in its meeting held on February 3, 2022. 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 resolution passed by our Board in its meeting held on February 3, 2022 are set forth below:

1. formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company (in areas or subject, specified in Schedule VII of the Companies Act, 2013);
2. recommend the amount of expenditure to be incurred on the activities referred to in clause (i);
3. monitor the Corporate Social Responsibility Policy of the Company from time to time; and
4. Carrying out such other functions and/or prescribed by the Board from time to time or specified/provided under the Companies Act, 2013 or by any other regulatory authority.

Management Organisation Structure



Key Managerial Personnel

The details of the Key Managerial Personnel, as on the date of this Draft Red Herring Prospectus are as follows:

Girdharilal Bawri is Founder Executive Director of our Company. **Banwarilal Bawri** and **Dr. Rajendra Agarwal** are Founder Joint Managing Director and Founder Managing Director of our Company, respectively. For details, see “- *Brief Biographies of Directors*” on page 212. For details of compensation paid to them during Financial Year 2021, see “- *Payment or benefit to Directors of our Company – Remuneration to Our Executive Directors*” on page 215.

Vijay Agarwal is the Chief Executive Officer of our Company. He has been associated with us since August 1, 2000 and thus, has an experience of more than 21 years in the business of our Company. He holds a bachelor's degree in chemical engineering from University of Minnesota. During the Fiscal Year 2021, he was paid a gross remuneration of ₹ 35.92 million.

Ajay Agarwal heads Domestic Business and Purchase for our Company. He has been associated with our Company since March 1, 2005 and thus, has an experience of more than 16 years in the business of our Company. He holds a bachelor's degree in Commerce from R A Podar College of Commerce and Economics, University of Mumbai. During the Fiscal Year 2021, he was paid a gross remuneration of ₹ 20.66 million.

Prateek Agarwal heads Strategic Sourcing and Planning for our Company. He has been associated with our Company since August 1, 2012 and thus, has an experience of more than 9 years in the business of our Company. He holds a bachelor's degree in pharmacy from the University of Mumbai. During the Fiscal Year 2021, he was paid a gross remuneration of ₹ 9.31 million.

Patri Venkat Raghavendra Rao is the Chief Financial Officer (Executive Vice President) of our Company since September 28, 2021. He is a Chartered Accountant and has been a member of The Institute of Chartered Accountants of India since July 2000. He also holds a bachelor's degree in Commerce from University of Rajasthan, Jaipur and higher diploma in Software Engineering from Aptech Computer Education, Faridabad. He has more than 21 years of experience in the fields of accounts and finance. Prior to joining our Company, he was associated with Dr. Reddy's Laboratories Limited, New Holland Tractors (India) Private Limited and Indo Asian Fusegear Limited. During Fiscal Year 2021, he has not received any remuneration.

Siddhesh Mahadeo Rane is the Company Secretary of our Company and is also the Compliance Officer for the Offer. He was appointed as Company Secretary of our Company on December 18, 2018. He has been an associate member of The Institute of Company Secretaries of India (“**ICSI**”) since 2017. He holds a bachelor's degree in commerce from the University of Mumbai. Further, he holds a bachelor's degree in general law and a master's degree in business law from the University of Mumbai. He also holds a post graduate diploma in securities law from the University of Mumbai. He has also completed a Certificate Course on Certified CSR Professional conducted by ICSI. He has more than 5 years of prior experience in the fields of accounts, legal and corporate secretarial matters. He has previously been associated with Arjav Diamonds (India) Private Limited, JSW Holdings Limited. During the Fiscal Year 2021, he was paid a gross compensation of ₹ 0.90 million.

Dr. Ashish Mungantiwar is the Executive President – Clinical Research and Development and Domestic Formulation Development at Research and Development Division of our Company. He has been associated with our Company since December 7, 1998 and thus, has an experience of 22 years. He holds a bachelor's degree in pharmacy and a degree of Doctor of Philosophy (Technology) in Pharmacology from the University of Mumbai. Prior to joining our Company, he was associated with Medley Pharmaceuticals Limited. During the Fiscal Year 2021, he was paid a gross remuneration of ₹ 32.44 million.

Hitesh Maheshwari is the President of Formulation Research and Development and Regulatory Affairs of our Company's Research and Development Division. He is responsible for the formulation and development of products for regulated markets and is also responsible for regulatory affairs. He has been associated with our Company since August 13, 2008 and thus, has an experience of 13 years with our Company. He holds a master's degree in pharmacy from the University of Panjab. Prior to joining our Company, he was associated with Astron Research Ltd. During Fiscal Year 2021, he was paid a gross remuneration of ₹ 31.65 million.

Lalit Mohan Patro is the President – Engineering Services of our Company. He has been associated with our Company since December 3, 2007 and thus, has an experience of over 14 years with our Company. He holds a bachelor's degree in engineering from University College of Engineering, Barla, Odisha. Prior to joining our Company, he was associated with Technova Imaging Systems Limited, Alkem and Cipla. During the Fiscal Year

2021, he was paid a gross remuneration of ₹ 17.83 million.

Vinayak Shirodkar is the President – Account and Finance of our Company. He has been associated with our Company since January 1, 1990 and thus has an experience of over 32 years with our Company. He holds a bachelor's degree in Commerce from Dr. Ambedkar College of Commerce and Economics, University of Mumbai. During the Fiscal Year 2021 he was paid a gross remuneration of ₹ 16.55 million.

Saidutta Nanda is the President – Human Resource Department of our Company. He has been associated with our Company since May 30, 2003 and thus, has an experience of over 18 years with our Company. He holds a master's degree in business administration from the Institute of Management Studies, Devi Ahilya Vishwavidyalaya, Indore (University of Indore). Prior to joining our Company, he was associated with Cadila Pharmaceuticals Limited. During the Fiscal Year 2021, he was paid a gross remuneration of ₹ 14.90 million.

Sanny Bhat is the President and Cluster Head for Cluster TB care and Gencare Division of the domestic business. He has been associated with our Company since May 1, 2001 and thus, has an experience of over 20 years in the business of our Company. He holds a bachelor's degree in science from Government of Degree College, Sopore and a master's degree in science (Physics) from Kanpur University. Prior to joining our Company, he was associated with Plethico Pharmaceuticals Limited. During the Fiscal Year 2021, he was paid a gross remuneration of ₹ 12.15 million.

Gopal Sharma is the President and Cluster Head for Cluster Acuphar and Osteva Division of the domestic business. He has been associated with our Company since September 11, 1996 and thus, has an experience of 25 years in the business of our Company. He holds a bachelor's degree in science from Meerut University as well as a diploma in pharmacy from Punjab State Board of Technical Education. Prior to joining our Company, he was associated with ICPA Health Products Private Limited and Lupin Laboratories Limited. During the Fiscal Year 2021, he was paid a gross remuneration of ₹ 12.82 million.

Jagdish Chandra Joshi is the Senior Vice President and Cluster Head for Oxalis and Pharma Division of the domestic business. He has been associated with our Company since November 9, 2009 and thus, has an experience of 12 years in the business of our Company. He holds a bachelor's degree in science from Motiram Babu Government Post Graduate College, Kumaun University, Nainital. Prior to joining our Company, he was associated with Agio Pharmaceuticals Limited, Lupin Laboratories Limited, Mankind Pharmaceuticals Private Limited and American Remedies (P) Limited. During the Fiscal Year 2021, he was paid a gross remuneration of ₹ 8.40 million.

Mahesh Bauskar is the Senior Vice President – Sales and Marketing of our Company. He heads corporate strategy for Procure AHT, Procure CV, Gencare, Osteva, TB Care Division and Hospital Business Division. He has been associated with our Company since September 27, 2001 and thus, has an experience of over 20 years in the business of our Company. He holds a bachelor's degree in pharmacy from University of Poona and a post graduate degree in business administration from the Institute for Technology and Management, Mumbai in association with New Hampshire College, Manchester. During the Fiscal Year 2021, he was paid a gross remuneration of ₹ 8.38 million.

Abhijit Ganguly is the Senior Vice President – Sales and Marketing of our Company. He heads corporate strategy for Pharma Procure HD, Pharma Core, Acuphar, Macphar and Oxalis divisions. He has been associated with our Company since June 1, 1999 and thus, has an experience of over 22 years in the business of our Company. He holds a bachelor's degree in pharmacy from the University of Pune and a post graduate degree in pharmaceutical management from SIES college of Management Studies, Mumbai. During the Fiscal Year 2021, he was paid a gross remuneration of ₹ 8.15 million.

Shailesh Pednekar is the Senior Vice President - International Business of our Company. He has been associated with our Company since April 3, 2018. He holds a bachelor's degree in commerce and a master's degree in international business from Devi Ahilya Vishwavidyalaya, Indore (University of Indore). Prior to joining our Company, he was associated with Cipla Ltd, Sun Pharmaceuticals, Arizest Pharma (India) Private Limited and Hetero Labs Limited. During the Fiscal Year 2021, he was paid a gross remuneration of ₹ 18.10 million.

K R Jayaram Balakrishna is the Executive Vice President – Corporate Quality Assurance of our Company. He has been associated with our Company since March 1, 2018. He holds a bachelor's degree in Pharmacy from Kuvempu University, Karnataka. Prior to joining our Company, he was associated with Mylan Laboratories Limited, Cipla Limited, Wockhardt Limited, Sandoz Private Limited, Dr. Reddy's Laboratories Limited, Strides Arcolab Limited and Bangalore Pharmaceutical and Research Laboratory Ltd. During the Fiscal Year 2021, he

was paid a gross remuneration of ₹ 9.84 million.

Sujaya Moghepadhye is the Senior Vice President of our Company. She has been associated with our Company since April 5, 2021. She holds a bachelor's degree in commerce from the Mulund College of Commerce, University of Mumbai. She is a chartered accountant and has been a member of the Institute of Chartered Accountants of India since 2002. She has been a professional for more than 20 years and has worked with various organisations such as, Edelweiss Financial Services Limited, Religare Securities Limited, UTI Securities Limited and Yash Birla group prior to joining our Company and has experience in investment banking, audit and finance. During Fiscal 2021, she has not received any remuneration.

Himanshu Ranvah is the Assistant Vice President - Legal of our Company. He has been associated with our Company since October 19, 2020. He holds a bachelor's degree in law and a bachelor's degree in business administration from National Law University, Jodhpur. He was associated with our Company from August 7, 2017 till September 19, 2020 as General Manager – Legal Department. Prior to joining our Company, he was associated with Cadila Healthcare Ltd., Gujarat State Petroleum Corporation, Torrent Pharmaceuticals Ltd. and Tata Motors Limited. During the Fiscal Year 2021, he was paid a gross remuneration of ₹ 5.69 million.

Shiju George is the Senior General Manager – Information System of our Company. He has been associated with our Company since July 21, 2003 and thus has an experience of over 18 years with our Company. He holds a bachelor's degree in engineering from Shivaji University, Kolhapur. Prior to joining our Company, he was associated with Triveni Infotech Limited. During the Fiscal Year 2021, he was paid a gross remuneration of ₹ 7.68 million.

All our Key Managerial Personnel are permanent employees of our Company.

Except for (i) Girdharilal Bawri (nominated by GLB Family Shareholders in terms of Shareholders' Agreement); (ii) Banwarilal Bawri (nominated by BLB Family Shareholders in terms of Shareholders' Agreement) and (iii) Dr. Rajendra Agarwal (nominated by DRA Family Shareholders in terms of Shareholders' Agreement), there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our other Key Managerial Personnel were appointed on the Board.

Shareholding of Key Managerial Personnel in our Company

Except as disclosed in “– Shareholding of Directors in our Company” and “Capital Structure – Shareholding of our Promoters and Promoter Group” on pages 215 and 98, respectively, none of our Key Managerial Personnel hold any Equity Shares.

Interests of Key Managerial Personnel

Other than the Executive Directors who are also the Promoters of our Company, and Vijay Agarwal, Ajay Agarwal and Prateek Agarwal, who are also interested in our Company to the extent of their shareholding, none of the Key Managerial Personnel of our Company have any interests in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. There is no contingent or deferred compensation accrued for the year payable to the Key Managerial Personnel, even if the compensation is payable at a later date. For details, see “– Interests of Directors” on page 216. Further, for the payments that are made by our Company to certain Key Managerial Personnel, see “Restated Consolidated Financial Information –Related Party Disclosures” on page 323.

No loans have been availed by our Key Managerial Personnel from our Company.

Changes in our Key Managerial Personnel in the three immediately preceding years

Details of the changes in our Key Managerial Personnel in the three immediately preceding years are set forth below.

Name	Date of change	Reason for change
Niteesh Srivastava	October 22, 2021	Resignation as Senior Vice President
Patri Venkat Raghavendra Rao	September 28, 2021	Appointment as Chief Financial Officer
Vinayak Shirodkar	September 27, 2021	Resignation as Chief Financial Officer
Sujaya Moghepadhye	April 5, 2021	Appointment as Senior Vice President

Name	Date of change	Reason for change
Rajesh Kabu	March 31, 2021	Retirement as Executive Director in the Domestic Business Department
Himanshu Ranvah	October 19, 2020	Appointment as Assistant Vice-President – Legal
Himanshu Ranvah	September 19, 2020	Resignation as General Manager – Legal

Payment or benefit to officers of our Company

Except 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, is entitled to any benefits upon termination of employment under any service contract entered into with our Company.

Except as stated otherwise in this Draft Red Herring Prospectus and any statutory payments made by our Company, no amount or benefits in kind has been paid or given, in the two years preceding the date of this Draft Red Herring Prospectus, or is intended to be paid or given to any of our Company's officers except remuneration for services rendered as Directors, officers or employees of our Company.

Bonus or profit sharing plans for our Key Managerial Personnel

Our Key Managerial Personnel are not parties to any bonus or profit-sharing plan of our Company.

Employee stock option plan and employee stock purchase plan

For details of our employee stock option plans, see “*Capital Structure – ESOP Scheme*” on page 101.

OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are Girdharilal Bawri, Banwarilal Bawri and Dr. Rajendra Agarwal.

As on the date of this Draft Red Herring Prospectus, our Promoters, in aggregate, hold 204,019,500 Equity Shares in our Company, representing 34.07% of the issued, subscribed and paid-up Equity Share capital of our Company. For further details, see “*Capital Structure - Shareholding of our Promoters and Promoter Group*”, on page 98.

Details of our Promoters



Girdharilal Bawri, aged 74 years, is one of the Promoters and the Founder Executive Director on our Board. For a complete profile of Girdharilal Bawri, i.e., his date of birth, residential address, educational qualifications, professional experience, positions/ posts held in the past and other directorships, special achievements, business and other activities, see “*Our Management*”, beginning on page 210.

His PAN is AABPB7048L.



Banwarilal Bawri, aged 68 years, is one of the Promoters and the Founder Joint Managing Director on our Board. For a complete profile of Banwarilal Bawri, i.e., his date of birth, residential address, educational qualifications, professional experience, positions/ posts held in the past and other directorships, special achievements, business and other activities, see “*Our Management*”, beginning on page 210.

His PAN is AAKPB1114E.



Dr. Rajendra Agarwal, aged 62 years, is one of the Promoters and the Founder Managing Director on our Board. For a complete profile of Dr. Rajendra Agarwal, i.e., his date of birth, residential address, educational qualifications, professional experience, positions/ posts held in the past and other directorships, special achievements, business and other activities, see “*Our Management*”, beginning on page 210.

His PAN is AABPA9611N.

Our Company confirms that the PANs, bank account numbers, passport numbers, Aadhaar card numbers and driving license numbers of our Promoters will be submitted to the Stock Exchanges, at the time of filing of this Draft Red Herring Prospectus. Girdharilal Bawri and Dr. Rajendra Agarwal do not hold a valid driving license as on the date of filing 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; (ii) to the extent of their shareholding in our Company, directly and indirectly; and (iii) 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 87.

Our Promoters, who are also Directors, may be deemed to be interested to the extent of their remuneration/sitting fees and reimbursement of expenses, payable to them, if any in their capacity as Directors. For further details, see “*Our Management – Payment or benefit to Directors of our Company – Remuneration to Executive Directors*” and “*Our Management – Interests of Directors*” on pages 215 and 216, respectively.

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.

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 in the ordinary course of business and as disclosed in “*Other Financial Information - Related Party Transactions*” and “*Restated Consolidated Financial Information – Related party disclosures*” on pages 391 and 323, respectively, no amount or benefit has been paid or given to 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 other than in the ordinary course of business.

Except for Banwarilal Bawri who is a karta of Banwarilal HUF which is a partner in M/s Oxalis Labs, our Promoters do not have any interest in a venture that is involved in any activities similar to those conducted by our Company:

Our Company will adopt the necessary procedures and practices as permitted by law to address any conflict situation if and when it arises.

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

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.

Confirmations

Our Promoters and members of our Promoter Group have not been declared Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on Wilful Defaulters or Fraudulent Borrowers issued by Reserve Bank of India.

Our Promoters and members of our Promoter Group have not been prohibited or debarred from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any other securities market regulator or any other authority, court or tribunal inside and outside India.

Our Promoters are not and have not been promoters or directors of any other company which is debarred from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Change in the control of our Company

Our Promoters are the original Promoters of our Company and 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.

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 who are part of our Promoter Group

The following table sets forth details of the natural persons who are part of our Promoter Group (due to their relationship with our Promoters):

Member of the Promoter Group	Relationship
<i>Girdharilal Bawri</i>	
Taradevi Bawri	Spouse
Sitadevi Murarka	Sister
Kusum Todi	Sister
Premlata Bagadia	Sister
Vijay Agarwal	Son
Ajay Agarwal	Son
Shalini Kedia	Daughter
Girdharilal Modi	Spouse's brother
<i>Banwarilal Bawri</i>	
Sudha Bawri	Spouse
Sitadevi Murarka	Sister
Kusum Todi	Sister
Premlata Bagadia	Sister
Prateek Agarwal	Son
Anushree Agarwal	Daughter
Omprakash Ruia	Spouse's father
Savitri Devi Ruia	Spouse's mother
Gopal Ruia	Spouse's brother
Seema Dalmia	Spouse's sister
<i>Dr. Rajendra Agarwal</i>	
Anju Agarwal	Spouse
Sitadevi Murarka	Sister
Kusum Todi	Sister
Premlata Bagadia	Sister
Dr. Ruchi Agarwal	Daughter
Gauri Agarwal	Daughter
Kanta Bakshi	Spouse's mother
Ajay Bakshi	Spouse's brother
Dr. Raakhi Gupta	Spouse's sister

Entities forming part of our Promoter Group

1. Agarwal Holdings Private Limited;
2. Banwarilal Bawri HUF;
3. M/s Dgens Enterprises;
4. East and West Clothing Private Limited;
5. Girdharilal Bawri HUF;
6. Gopal Omprakash Ruia HUF;
7. Jugleshwar Mahadeo Trade Private Limited;
8. Lance Financial Consultants Private Limited;
9. M/s Bawri Medical Depot;
10. M/s Jaipur Hospital Drugs Store;
11. M/s Nucleus Remedies;
12. M/s Oxalis Labs;
13. Macleods Social Welfare Foundation;
14. Macleods Laboratories Private Limited;
15. Macleods Pharma Espana S L U;
16. Macleods Pharma USA, Inc.;
17. Macleods Pharmaceuticals Ltd., LLC;
18. Macleods Pharmaceuticals Philippines, Inc.;
19. Macleods Pharmaceuticals Sdn. Bhd;
20. Macleods Pharmaceuticals SA (Pty.) Ltd;
21. Macleods Pharma UK Ltd.;
22. Makmed LLC;

23. Oxus Pharma Ltd.;
24. PT Sampharindo Retroviral Indonesia;
25. Rajendra Agarwal HUF; and
26. Ruia Alloy Trade Private Limited.

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations ‘group companies’ of our Company shall include (i) the companies (other than our Subsidiaries) with which there were related party transactions, in accordance with Ind AS 24, as disclosed in the Restated Consolidated Financial Information (“**Relevant Period**”), including any additions or deletions in such companies, after the Relevant Period and until the date of the respective Offer Documents; and (ii) such other companies as considered material by the Board pursuant to the materiality policy.

With respect to (ii) above, our Board in its meeting held on February 3, 2022 has considered that such companies that are a part of the Promoter Group (as defined in the SEBI ICDR Regulations) with which there were transactions in the most recent financial year to be included in the offer documents (“**Test Period**”), which individually or in the aggregate, exceed 10% of the total restated consolidated revenue of our Company for the Test Period, shall also be classified as Group Companies.

Accordingly, based on the parameters outlined above, as on the date of this Draft Red Herring Prospectus, our Company has the following Group Companies.

1. Agarwal Holdings Private Limited;
2. East and West Clothing Private Limited;
3. Macleods Laboratories Private Limited;
4. Lance Financial Consultants Private Limited;
5. PT Sampharindo Retroviral Indonesia
6. Macleods Social Welfare Foundation

In accordance with the SEBI ICDR Regulations, certain financial information in relation to our Group Companies for the previous three financial years, extracted from their respective audited financial statements (as applicable), are required to be hosted on the websites of the respective Group Companies. However, as our Group Companies do not have websites of their own, the relevant financial information in relation to our Group Companies are available on our Company’s website as indicated below.

Our Company is providing link to its website solely to comply with the requirements specified under the SEBI ICDR Regulations. Such financial information of the Group Companies and other information provided on our website does not constitute a part of this Draft Red Herring Prospectus. Such information should not be considered as part of information that any investor should consider before making any investment decision.

None of our Company, the BRLMs or any of our Company’s or the BRLMs’ respective directors, employees, affiliates, associates, advisors, agents or representatives have verified the information available on the websites indicated below.

Details of our Group Companies

The details of our Group Companies are provided below:

1. *Agarwal Holdings Private Limited (“AHPL”)*

Registered Office

The registered office of AHPL is situated at 304, 3rd Floor, Atlanta Arcade, Marol Church Road, Marol, Andheri (East), Mumbai 400 059, Maharashtra, India.

Financial information

The financial information derived from the audited financial statements of AHPL for Fiscal 2021 (as AHPL was incorporated on December 11, 2020) as required by the SEBI ICDR Regulations, are available on www.macleodspharma.com/investor.

2. *East and West Clothing Private Limited (“EWCPL”)*

Registered Office

The registered office of EWCPL is situated at Saket, Plot No. G2, MIDC, Andheri East, Mumbai – 400093, Maharashtra, India.

Financial information

The financial information derived from the audited financial statements of EWCPL for Fiscals 2021, 2020 and 2019, as required by the SEBI ICDR Regulations, are available on www.macleodspharma.com/investor.

3. Macleods Laboratories Private Limited (“MLPL”)**Registered Office**

The registered office of MLPL is situated at 304, Atlanta Arcade, Marol Church Road, Andheri (East) Mumbai – 400059, Maharashtra, India.

Financial information

The financial information derived from the audited financial statements of MLPL for Fiscals 2021, 2020 and 2019, as required by the SEBI ICDR Regulations, are available on www.macleodspharma.com/investor.

4. Lance Financial Consultants Private Limited (“LFCPL”)**Registered Office**

The registered office of LFCPL is situated at Shop No. 6, Benezer Welfare Association, Marol Maroshi Road, Opp. Bus Depot. Andheri (E), Mumbai 400 059, Maharashtra, India.

Financial information

The financial information derived from the audited financial statements of LFCPL for Fiscals 2021, 2020 and 2019, as required by the SEBI ICDR Regulations, are available on www.macleodspharma.com/investor.

5. PT Sampharindo Retroviral Indonesia (“PTSRI”)**Registered Office**

The registered office of PTSRI is situated at Tambak Aji Raya No. 8, Semarang, 50185, Central Java, Indonesia.

Financial information

The financial information derived from the audited financial statements of PTSRI for the years ended December 2021, December 2020 and December 2019, as required by the SEBI ICDR Regulations, are available on www.macleodspharma.com/investor.

6. Macleods Social Welfare Foundation (“MSWF”)**Registered Office**

The registered office of MSWF is situated at 501 Everest Grande, Shanti Nagar, Mahakali Caves Road, Andheri East, Mumbai 400 093, Maharashtra, India.

Nature and extent of interest of Group Companies**In the promotion of our Company**

None of our Group Companies have any interest in the promotion of our Company.

In the properties acquired by our Company in the past three years before filing this Draft Red Herring Prospectus or proposed to be acquired by our Company

None of our Group Companies are interested in the properties acquired by our Company in the three years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

In transactions for acquisition of land, construction of building and supply of machinery, etc.

None of our Group Companies are interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

Common pursuits among the Group Companies and our Company

There are no common pursuits amongst our Group Companies and our Company or its Subsidiaries.

Related Business Transactions within our Group Companies and significance on the financial performance of our Company

Except as disclosed in “*Summary of the Offer Document – Summary of Related Party Transactions*” on page 20, there are no related business transactions with the Group Companies and impact financial performance of our Company.

Litigation

As on the date of this Draft Red Herring Prospectus, there is no pending litigation involving our Group Companies which will have a material impact on our Company.

Business interest of Group Companies

Except in the ordinary course of business and as stated in “*Summary of the Offer Document – Summary of Related Party Transactions*” on page 20, none of our Group Companies have any business interest in our Company.

Confirmations

None of our Group Companies have any securities listed on a stock exchange. Further, neither of our Group Companies has 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 declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board to the Shareholders for their approval in the Annual General Meeting, at their discretion, subject to compliance with the provisions of the Companies Act, including the rules made thereunder and other relevant regulations, if any, each as amended. Further the Board shall also have the absolute power to declare interim dividend in compliance with the Act including the Rules made thereunder and other relevant regulations, if any. The dividend distribution policy of our Company was approved and adopted by our Board on February 3, 2022.

The declaration and payment of dividend will depend on a number of internal and external factors. Some of the internal factors on the basis of which the Company may declare dividend shall include magnitude of earnings, return on invested capital, liquidity position including its present and expected obligations, investments in new businesses, cash flow from operations, cost of borrowing of the Company, keeping in view the growth opportunities and debt obligations of our Company. The external factors on the basis of which the Company may declare the dividend shall include regulatory requirements, economic environment and capital markets, inflation rate, tax implications, considering dividend pay-out ratios of Companies in the same industry. Our Company may not distribute dividend or may distribute a reduced quantum of dividend when there is absence or inadequacy of profits.

Our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company may enter into to finance our fund requirements for our business activities. For details in relation to risks involved in this regard, see “*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 page 58.

Details of dividends distributed on the Equity Shares are as follows:

Particulars	Period				
	October 1, 2021 to the date of this Draft Red Herring Prospectus	April 1, 2021 to September 30, 2021	Financial year ended March 31, 2021	Financial year ended March 31, 2020	Financial year ended March 31, 2019
No. of equity shares	Nil	Nil	Nil	Nil	19,960,680
Face value of equity shares**	Nil	Nil	Nil	Nil	10
Interim dividend***	Nil	Nil	Nil	Nil	199.61
Final dividend***	Nil	Nil	Nil	Nil	-
Total dividend***	Nil	Nil	Nil	Nil	199.61
Dividend per share*	Nil	Nil	Nil	Nil	10
Dividend rate (%)	Nil	Nil	Nil	Nil	100%
Mode of payment of dividend	Nil	Nil	Nil	Nil	account payee cheque
Dividend distribution tax***	Nil	Nil	Nil	Nil	41.03

*in ₹.

**₹ per equity share.

*** in ₹ million.

SECTION V: FINANCIAL INFORMATION
RESTATED CONSOLIDATED FINANCIAL INFORMATION

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Walker Chandiook & Co LLP
Chartered Accountants
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B.A.K.D. & Co.
Chartered Accountants
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Maharashtra, India.
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INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Macleods Pharmaceuticals Limited
Atlanta Arcade, Church Road,
Near Leela Hotel, Andheri-Kurla Road,
Andheri (East), Mumbai – 400 059, India

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of Macleods Pharmaceuticals Limited (the "Company" or the "Issuer") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group"), and its associates, comprising the Restated Consolidated Statement of Assets and Liabilities as at 30 September 2021, 31 March 2021, 31 March 2020 and 31 March 2019, the Restated Consolidated Statements of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Cash Flow Statement for the six months period ended 30 September 2021 and for the years ended 31 March 2021, 31 March 2020 and 31 March 2019, the Summary Statement of Significant 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 03 February 2022 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") and 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 (the "SEBI"), National Stock Exchange of India Limited and BSE Limited (the "Stock Exchanges") and Registrar of Companies, Mumbai, Maharashtra, 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 1D(1.1) to the Restated Consolidated Financial Information. The responsibility of the respective Board of Directors of the companies included in the Group and of its associates 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 and its associates 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 22 November 2021 in connection with the proposed IPO of equity shares of the Issuer;
 - 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 IPO.
4. These Restated Consolidated Financial Information have been compiled by the management from:
 - a. Audited special purpose interim consolidated Ind AS financial statements of the Group and its associates as at and for the six months period ended 30 September 2021 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 (the "Special Purpose Interim Consolidated Ind AS Financial Statements") which have been approved by the Board of Directors at their meeting held on 03 February 2022.
 - b. Audited Consolidated Ind AS financial statements of the Group and its associates as at and for the year ended 31 March 2021, 31 March 2020 and 31 March 2019 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 18 August 2021, 14 December 2020 and 27 September 2019, respectively.
5. For the purpose of our examination, we have relied on:
 - a. Auditors' report dated 03 February 2022, issued by us on the Special Purpose Interim Consolidated Ind AS Financial Statements of the Group and its associates as at and for the six months period ended 30 September 2021 as referred in Paragraph 4 above; and
 - b. Auditors' Report dated 18 August 2021, 14 December 2020, and 27 September 2019, issued by the Previous Auditors (current joint auditor), B.A.K.D. & CO., in sole capacity, on the Consolidated Ind AS financial statements of the Group and its associates as at and for the years ended 31 March 2021, 31 March 2020 and 31 March 2019, respectively as referred in Paragraph 4 above.

The audits for the financial years ended 31 March 2021, 31 March 2020 and 31 March 2019 were conducted by the Company's previous auditors (current joint auditor), B.A.K.D. & Co., (the "Previous Auditors"), and accordingly reliance has been placed on the restated consolidated statement of assets and liabilities, the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity and the

restated consolidated cash flow statement, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the “31 March 2021, 31 March 2020 and 31 March 2019 Restated Consolidated Financial Information”) and examined by them for the said years. The examination report included for the said years is based solely on the report submitted by the Previous Auditors. They have also confirmed that the 31 March 2021, 31 March 2020 and 31 March 2019 Restated Consolidated Financial Information:

- a) have been prepared after incorporating adjustments for the changes in accounting policies, rectifications and regrouping/reclassifications retrospectively in the financial year ended 31 March 2021, 31 March 2020 and 31 March 2019 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 2021; and
 - b) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
6. The audit report on the Special Purpose Interim Consolidated Ind AS Financial Statements of the Group and its associates issued by us as at and for the six months period ended 30 September 2021 as referred in Paragraph 4 above included following Emphasis of Matter paragraphs:

- a) Emphasis of Matter- Basis of Preparation and Restriction on Distribution and Use:

“Without modifying our opinion, we draw attention to Note 1D(1.1) to the accompanying Special Purpose Interim Consolidated Financial Statements, which describes the basis of its preparation. The Special Purpose Interim Consolidated Financial Statements have been prepared by the Holding Company’s management solely for the preparation of the restated consolidated financial information to be included in Draft Red Herring Prospectus (‘DRHP’) which is to be prepared and 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 Requirements) Regulations, 2018, in connection with the proposed Initial Public Offering (‘IPO’) of equity shares of the Holding Company. Therefore, these Special Purpose Interim Consolidated 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.”

- b) Emphasis of Matter- Comparative Information:

“We draw attention to Note 58 of the accompanying Special Purpose Interim Consolidated Financial Statements which describes the corrections made to the opening balance sheet as at 01 April 2021 for prior period rectifications, in accordance with Indian Accounting Standard 8 – Accounting Policies, Changes in Accounting Estimates and Errors. Our opinion is not modified in respect of this matter.”

7. As indicated in our audit report on Special Purpose Interim Consolidated Financial Statements as at and for the six months period ended 30 September 2021, as referred above:

- a. we did not audit the financial statements of a branch included in the Special Purpose Interim Consolidated Financial Statements of the Company whose financial statements share of total assets and total revenues, as indicated in the table below, included in the consolidated financial statements, as at and for the six months period ended 30 September 2021, have been audited by other auditor, as mentioned in Annexure I, and whose reports have been furnished to us by the Company's management and our opinion on the Special Purpose Interim Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this branch, is based solely on the report of the other auditor:

(Rs in million)

Particulars	As at and for the six months period ended 30 September 2021
Total assets	106.14
Total revenues	191.98

Our opinion above on the Special Purpose Interim Consolidated Financial Statements is not modified in respect of this matter.

- b. we did not audit financial statements of 3 subsidiaries and an associate whose share of total assets, total revenues, net cash inflow/(outflow) and share of profit/(loss) (including other comprehensive income/expenses) in its associates included in the Special Purpose Interim Consolidated Financial Statements, as at and for the six months period ended 30 September 2021 is tabulated below, which have been audited by other auditors, as mentioned in Annexure I. Out of the above, the financial statements of a subsidiary, whose share of total assets, total revenues, net cash inflow/outflow, as at and for the six months period ended 30 September 2021 is tabulated below, have been audited by B.A.K.D. & Co. The reports of B.A.K.D. & Co. and other auditors have been furnished to us by the Company's management and our opinion on the special purpose interim 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 B.A.K.D. & Co. and other auditors:

(Rs in million)

Particulars	As at and for the six months period ended 30 September 2021	
	Audited by other auditors (Including B.A.K.D. & Co.)	Audited by B.A.K.D. & Co.
Total assets	9,157.05	5,781.76
Total revenues	6,082.27	3,228.93
Net cash inflow / (outflow)	53.87	(81.74)

Share of profit in its associate	0.07	-

Further, of these subsidiaries and associate, 3 subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries except for a subsidiary in the United States of America whose financial statements and other financial information have been prepared in accordance with 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 and which have been audited by Previous Auditors under generally accepted auditing standards applicable in India. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion on the Special Purpose Interim Consolidated Financial Statements, in so far as it relates to the balances and affairs of such subsidiaries located outside India, are based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

The subsidiaries as mentioned above, which are located outside India, were audited by other auditors who have issued examination report on the restated financial information of those subsidiaries prepared in accordance with accounting principles generally accepted in their respective countries. The Company's management has converted the restated financial information prepared as per accounting principle generally accepted in their respective countries to accounting principles generally accepted in India and the conversion adjustments have been examined by us, for the purpose of inclusion in this restated consolidated financial information of the Company.

Our opinion above on the Special Purpose Interim Consolidated Financial Statements is not modified in respect of this matter.

- c. we did not audit financial statements of 5 subsidiaries and 2 associates, whose share of total assets, total revenues, net cash inflow/(outflow) and share of profit/(loss) (including other comprehensive income/expense) in the associates, as tabulated below, is included in the Special Purpose Interim Consolidated Financial Statements, as at and for the six months period ended 30 September 2021. These financial statements are unaudited and have been furnished to us by the management and our opinion on the Special Purpose Interim Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of aforesaid subsidiaries and associates, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associates, are based solely on such unaudited financial statements and representations made by the management. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group:

(Rs in million)

Particulars	As at and for the six months period ended 30 September 2021
Total assets	218.14

Total revenues	187.70
Net cash inflows	0.12
Share of profit in its associates	6.25

Our opinion above on the Special Purpose Interim Consolidated Financial Statements is not modified in respect of this matter.

These other auditors of the branch, subsidiaries and associates and B.A.K.D. & Co., as mentioned above, have examined the restated consolidated financial information of the respective branch, subsidiaries and associates and have confirmed that the restated financial information of those branch, subsidiaries and associates for the purpose of inclusion in restated consolidated financial information of the Company:

- a) have been prepared after incorporating adjustments for the changes in accounting policies, rectifications and regrouping/reclassifications in line with the accounting policies and grouping/ classifications followed by the Company, as at and for the six-months period ended 30 September 2021; and
 - b) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
8. Based on examination report dated 03 February 2022 provided by the Previous Auditors, the audit report on the consolidated Ind AS financial statements issued by the Previous Auditors included following other matters:

- a. We did not audit the financial statements of a branch included in the consolidated Ind AS financial statements of the Company whose financial statements share of total assets and total revenues included in the consolidated Ind AS financial statements, for the relevant years, as tabulated below, have been audited by other auditor, as mentioned in Annexure I, and whose report has been furnished to us by the Company's management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this component, is based solely on the report of the other auditor:

(Rs in million)

Particulars	As at and for the year ended		
	31 March 2021	31 March 2020	31 March 2019
Total assets	124.58	80.19	47.11
Total revenues	1,786.02	191.02	181.00

- b. We did not audit financial statements of 3 subsidiaries and of an associate as at 31 March 2021, 3 subsidiaries and 2 associates as at 31 March 2020, and 3 subsidiaries and of an associate as at 31 March 2019, whose share of total assets, total revenues, net cash inflows / (outflows) and share of profit/ (loss) (including other comprehensive income/expense) in its associate/s included in the Consolidated Ind AS Financial Statements, for the relevant years, as tabulated below, have been audited by other auditors, as mentioned in Annexure I. The reports of the other auditors have been furnished to us by the Company's management and our opinion on the consolidated Ind AS financial statements, in

so far as it relates to the amounts and disclosures included in respect of these components which are audited by other auditors, is based solely on the reports of the other auditors:

(Rs in million)

Particulars	As at and for the year ended		
	31 March 2021	31 March 2020	31 March 2019
Total assets	4447.34	1606.82	673.24
Total revenues	9877.22	6075.36	2788.01
Net cash inflow/ (outflow)	214.82	142.53	212.12
Share of profit / (loss) in its associates	0.98	0.00	(0.02)

Further, of these subsidiaries and associates, 3 subsidiaries as at 31 March 2021, 2 subsidiaries and an associate as at 31 March 2020 and 2 subsidiaries as at 31 March 2019, are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries and associates located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the balances and affairs of such subsidiaries and associates located outside India, are based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the consolidated Ind AS financial statements is not modified in respect of these matters.

These other auditors of the branch, subsidiaries and associates, as mentioned above, have examined the restated consolidated financial information of the respective branch, subsidiaries and associates and have confirmed to B.A.K.D. & Co. that the restated financial information of those branch, subsidiaries and associates for the purpose of inclusion in restated consolidated financial information of the Company:

- a) have been prepared after incorporating adjustments for the changes in accounting policies, rectifications and regrouping/reclassifications retrospectively in the financial years ended 31 March 2021, 31 March 2020 and 31 March 2019 to reflect the same accounting treatment as per the accounting policies and regrouping/reclassification followed as at and for the six-months period ended 30 September 2021; and
- b) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

- c. we did not audit financial statements of 4 subsidiaries and 2 associates as at 31 March 2021, 3 subsidiaries as at 31 March 2020 and 2 subsidiaries as at 31 March 2019, whose share of total assets, total revenues, net cash inflows / (outflows) and share of profit/(loss) (including other comprehensive income/expense) in associates, as tabulated below, included in the consolidated Ind AS financial statements, for the relevant years, has not been audited by us. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of aforesaid subsidiaries and associates, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associates, are based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group:

(Rs in million)

Particulars	As at and for the year ended		
	31 March 2021	31 March 2020	31 March 2019
Total assets	191.78	205.72	210.65
Total revenues	255.97	393.38	495.72
Net cash inflow/ (outflows)	5.16	2.09	4.79
Share of profit/ (loss) in its associates	0.00	NA	NA

Our opinion above on the consolidated Ind AS financial statements is not modified in respect of this matter.

9. Based on our examination and according to the information and explanations given to us, representations made by management and also as per the reliance placed on the examination report submitted by the Previous Auditors and other auditors for the respective years (Refer Appendix 1), we report that the Restated Consolidated Financial Information:
- have been prepared after incorporating adjustments for the changes in accounting policies, rectifications and regrouping/reclassifications retrospectively in the financial years ended 31 March 2021, 31 March 2020 and 31 March 2019 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 2021; and
 - have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
10. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the special purpose interim consolidated financial statements and audited consolidated Ind AS financial statements mentioned in paragraph 4 above.

11. 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 or the Previous Auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. 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, the Stock Exchanges and the Registrar of Companies, Mumbai, Maharashtra, 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

For **B.A.K.D. & Co.**
Chartered Accountants
Firm Registration No: 138880W

Bharat Shetty
Partner
Membership Number: 106815

UDIN: 22106815AAIHKS9565

Place: Mumbai
Date: 03 February 2022

Anushree Agarwal
Partner
Membership Number: 163509

UDIN: 22163509ABLYYN1767

Place: Mumbai
Date: 03 February 2022

APPENDIX 1 TO INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

Details of the entities and related periods audited by the other auditors:

Sr. No.	Entity Name	Status	Period audited by other auditors/management certified		Details of other auditors
			From	To	
1	Macleods Pharmaceuticals Limited (standalone and consolidated)	Holding Company	01 April 2018	31 March 2021	Solely audited by B.A.K.D. & Co., Chartered Accountants@
2	Macleods Pharma UK Limited	Subsidiary Company	01 April 2021	30 September 2021	Management certified
3	Macleods Pharmaceuticals SA (PTY) Ltd.	Subsidiary Company	01 April 2021	30 September 2021	GNR Auditors
4	Macleods Pharmaceuticals Limited, LLC	Subsidiary Company	01 April 2021	30 September 2021	H.A. Nepliyeva
5	Macleods Pharma USA, INC	Subsidiary Company	01 April 2021	30 September 2021	B.A.K.D. & Co., Chartered Accountants@
6	Macleods Pharma Espana SLU	Subsidiary Company	01 April 2021	30 September 2021	Management certified
7	Oxus Pharma Limited	Subsidiary Company	01 April 2021	30 September 2021	Management certified
8	Macleods Pharmaceuticals SDN. BHD.	Subsidiary Company	01 April 2021	30 September 2021	Management certified
9	Macleods Pharmaceuticals Philippines INC	Subsidiary Company	01 April 2021	30 September 2021	Management certified
10	Macleods Social Welfare Foundation	Associate Company	01 April 2021	30 September 2021	Bansal Bansal & Co., Chartered Accountants
11	PT Sampharindo Retroviral Indonesia	Associate Company	01 April 2021	30 September 2021	Management certified
12	Makmed LLC #	Associate Company	01 April 2021	30 September 2021	Management certified
13	Branch of Macleods Pharmaceuticals Limited at Kazakhstan	Branch of Holding Company	01 April 2021	30 September 2021	Tatyana Anatolyevna Kvitko, Auditor of the Republic of Kazakhstan

@ Other auditor (Current Joint Auditor) have issued the examination report with respect to the period which they have audited at DRHP stage. Also will separately identify the material components at RHP and Prospectus stage and obtain the examination report with respect to the period which they will audit at that time.

Post 30 September 2021, Macleods Pharmaceuticals Limited has acquired further 55% shares from all other shareholders of Makmed LLC, as a result of which it is converted to wholly owned subsidiary (the 'WOS') of the Company, after the said acquisition.

Macleods Pharmaceuticals Limited					
Restated Consolidated Balance Sheet					
(₹ in millions)					
Particulars	Notes	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
Assets					
(1) Non-Current Assets					
(A) Property, Plant And Equipment	2A	14,158.61	13,407.70	10,176.80	9,375.18
(B) Capital Work-In-Progress	2C	2,796.07	2,527.54	2,106.07	503.79
(C) Investment Properties	2E	264.55	267.01	271.90	99.69
(D) Right-Of-Use Assets	2F	618.21	621.86	596.48	220.49
(E) Goodwill		-	-	28.40	28.40
(F) Intangible Assets	2B	50.95	56.65	64.20	54.64
(G) Intangible Assets Under Development	2D	14.89	-	-	-
(H) Investment In Equity Accounted Investees	3	235.02	103.45	102.49	0.01
(I) Financial Assets					
(I) Investments	4	43.56	43.56	9,355.02	7,995.69
(II) Loans	5	907.30	2.07	3.74	2.33
(III) Other Financial Assets	6	1,520.04	1,981.72	21,108.17	3,205.96
(J) Income Tax Assets (Net)	7	937.78	538.41	758.17	692.58
(K) Deferred Tax Assets	8	7,307.65	6,569.93	6,301.69	5,624.92
(L) Other Non-Current Assets	9	133.38	536.83	561.46	374.06
Total Non-Current Assets		28,988.01	26,656.73	51,434.59	28,177.74
(2) Current Assets					
(A) Inventories	10	16,803.71	15,625.51	9,879.12	8,355.58
(B) Financial Assets					
(I) Investments	11	6.41	6.44	8,598.96	6,069.02
(II) Trade Receivables	12	10,536.42	10,219.73	12,637.66	9,991.34
(III) Cash And Cash Equivalents	13	1,504.31	721.47	1,267.46	533.47
(IV) Loans	14	2.71	4.20	4.45	3.78
(V) Other Financial Assets	15	5,447.84	1,642.65	8,795.36	21,037.56
(C) Other Current Assets	16	2,869.22	2,470.64	3,116.27	1,520.20
Total Current Assets		37,170.62	30,690.64	44,299.28	47,510.95
Total Assets		66,158.63	57,347.37	95,733.87	75,688.69
See accompanying notes to the Restated Consolidated Financial Information					
As per our Report of even date			For and on behalf of the Board of Directors of Macleods Pharmaceuticals Limited		
For B.A.K.D. & Co. Chartered Accountants (Registration No. 138880W)		For Walker Chandiok & Co LLP Chartered Accountants (Registration No. 001076N/N500013)		Girdharilal Bawri Founder Executive Director DIN - 00034197	
Anushree Agarwal Partner Membership No. 163509		Bharat Shetty Partner Membership No. 106815		Banwarilal Bawri Founder Jt. Managing Director DIN - 00017795	
Place: Mumbai Date: 3 February, 2022		Place: Mumbai Date: 3 February, 2022		Patri Venkat Raghavendra Rao Chief Financial Officer	
				Siddhesh Rane Company Secretary	

Macleods Pharmaceuticals Limited					
Restated Consolidated Balance Sheet					
(₹ in millions)					
Particulars	Notes	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
Equity And Liabilities					
Equity					
(A) Equity Share Capital	17	199.61	199.61	199.61	199.61
(B) Other Equity	18A	43,907.48	37,760.91	75,454.55	59,949.91
Equity Attributable To Owners		44,107.09	37,960.52	75,654.16	60,149.52
Non-Controlling Interest	18B	24.30	(12.78)	12.21	(6.76)
Total Equity		44,131.39	37,947.74	75,666.37	60,142.76
Liabilities					
(1) Non-Current Liabilities					
(A) Financial Liabilities					
(I) Lease Liabilities	19	312.69	306.58	311.28	231.57
(II) Other Financial Liabilities	20	355.86	334.23	318.21	277.78
(B) Provisions	21	1,794.55	1,534.26	1,261.53	999.30
(C) Other Non-Current Liabilities	22	95.98	102.48	115.31	128.18
Total Non-Current Liabilities		2,559.08	2,277.55	2,006.33	1,636.83
(2) Current Liabilities					
(A) Financial Liabilities					
(I) Borrowings	23	464.30	797.17	360.68	1,318.55
(II) Lease Liabilities	24	41.44	47.09	80.44	-
(III) Trade Payables	25				
- Total Outstanding Due To Micro And Small Enterprises		865.57	747.86	632.18	742.72
- Total Outstanding Due To Other Than Micro And Small Enterprises		7,626.06	5,925.28	7,066.37	4,530.50
(IV) Other Financial Liabilities	26	3,729.87	2,539.21	3,020.14	2,102.78
(B) Other Current Liabilities	27	1,108.70	976.57	898.21	783.52
(D) Provisions	28	5,632.22	6,088.90	6,003.15	4,431.03
Total Current Liabilities		19,468.16	17,122.08	18,061.17	13,909.10
Total Liabilities		22,027.24	19,399.63	20,067.50	15,545.93
Total Equity And Liabilities		66,158.63	57,347.37	95,733.87	75,688.69
See accompanying notes to the Restated Consolidated Financial Information					
As per our Report of even date			For and on behalf of the Board of Directors of Macleods Pharmaceuticals Limited		
For B.A.K.D. & Co. Chartered Accountants (Registration No. 138880W)		For Walker Chandio & Co LLP Chartered Accountants (Registration No. 001076N/N500013)		Girdharilal Bawri Founder Executive Director DIN - 00034197	
Anushree Agarwal Partner Membership No. 163509		Bharat Shetty Partner Membership No. 106815		Banwarilal Bawri Founder Jt. Managing Director DIN - 00017795	
Place: Mumbai		Place: Mumbai		Patri Venkat Raghavendra Rao	
Date: 3 February, 2022		Date: 3 February, 2022		Chief Financial Officer	
				Siddhesh Rane	
				Company Secretary	

Macleods Pharmaceuticals Limited					
Restated Consolidated Statement of Profit and Loss					
(₹ in millions)					
Particulars	Notes	For the six months ended 30 September, 2021	For the Year ended 31 March, 2021	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
1. Income					
(A) Revenue From Operations	29	40,801.55	71,994.16	69,028.16	58,704.35
(B) Other Income	30	135.46	5,500.68	3,593.17	4,424.63
Total Income		40,937.01	77,494.84	72,621.33	63,128.98
2. Expenditure					
(I) Cost of Materials Consumed	31	11,493.96	15,786.57	16,315.90	15,361.05
(II) Purchases of Stock-In-Trade	32	5,813.74	11,976.36	9,557.75	6,588.77
(III) Changes In Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress	33	(1,418.85)	(4,071.89)	(887.34)	507.98
(IV) Employee Benefits Expense	34	8,131.08	12,826.34	11,589.69	9,892.57
(V) Finance Costs	35	31.64	63.02	77.60	56.41
(VI) Depreciation And Amortization	36	798.23	1,344.00	1,304.21	1,229.36
Expense					
(VII) Other Expenses	37	9,082.75	14,510.18	16,065.54	14,314.03
Total Expenditure		33,932.55	52,434.58	54,023.35	47,950.17
3. Profit Before Tax		7,004.46	25,060.26	18,597.98	15,178.81
4. Tax Expenses					
(A) Current Tax		1,324.14	5,074.86	3,514.06	3,312.85
(B) Deferred Tax / (Credit)		(692.60)	(242.08)	(637.23)	(2,368.63)
Total Tax Expense		631.54	4,832.78	2,876.83	944.22
5. Profit After Tax Before Share of Profit/(Loss) From Associates		6,372.92	20,227.48	15,721.15	14,234.59
6. Share of Profit/(Loss) From Associates		7.59	0.96	-	(0.02)
7. Profit For The Period/Year		6,380.51	20,228.44	15,721.15	14,234.57
8. Profit For The Period/Year Attributable To					
(A) Owners		6,325.65	20,206.04	15,675.43	14,205.23
(B) Non-Controlling Interests		54.86	22.40	45.72	29.34
Total		6,380.51	20,228.44	15,721.15	14,234.57
9. Other Comprehensive Income					
(A) (I) Items That Will Not Be Reclassified To Profit or Loss		(129.13)	(74.72)	(113.08)	(58.85)
(II) Income Tax Relating To These Items		45.12	26.11	39.52	20.57
(B) (I) Items That Will Be Reclassified To Profit or Loss		(112.85)	(96.11)	(123.98)	(204.81)
(II) Income Tax Relating To These Items		-	-	-	-
Total Other Comprehensive Income/(Loss)		(196.86)	(144.72)	(197.54)	(243.09)
10. Total Other Comprehensive Income					
(A) Owners		(179.08)	(97.33)	(170.79)	(233.06)
(B) Non-Controlling Interests		(17.78)	(47.39)	(26.75)	(10.03)
Total Income For The Period/Year		6,183.65	20,083.72	15,523.61	13,991.48
11. Earnings Per Equity Share of Face Value ₹ 1/- 60					
Each (not annualised for the period ended 30 September, 2021)					
Basic (In ₹)		10.56	33.74	26.18	23.72
Diluted (In ₹)		10.56	33.74	26.18	23.72
See accompanying notes to the Restated Consolidated Financial Information					
As per our Report of even date			For and on behalf of the Board of Directors of Macleods Pharmaceuticals Limited		
For B.A.K.D. & Co. Chartered Accountants (Registration No. 138880W)		For Walker Chandiok & Co LLP Chartered Accountants (Registration No. 001076N/N500013)		Girdharilal Bawri Founder Executive Director DIN - 00034197	
Anushree Agarwal Partner Membership No. 163509		Bharat Shetty Partner Membership No. 106815		Banwarilal Bawri Founder Jt. Managing Director DIN - 00017795	
Place: Mumbai Date: 3 February, 2022		Place: Mumbai Date: 3 February, 2022		Patri Venkat Raghavendra Rao Chief Financial Officer	
				Siddhesh Rane Company Secretary	

Macleods Pharmaceuticals Limited							
Restated Consolidated Statement of Changes in Equity							
(₹ in millions)							
Particulars	Share Capital	Reserves and surplus			Total	Non Controlling Interest	Total Equity
		General Reserve	Retained earnings	Other Comprehensive Income			
Balance as at 1 April, 2018	199.61	3,502.05	42,874.03	(157.69)	46,218.39	(26.07)	46,391.93
Add: Profit during the Year	-	-	14,205.23	-	14,205.23	29.34	14,234.57
Less: Dividend paid during the Year	-	-	(199.62)	-	(199.62)	-	(199.62)
Less: Dividend tax on above	-	-	(41.03)	-	(41.03)	-	(41.03)
Remeasurement of employees benefit (net of tax)	-	-	(38.28)	-	(38.28)	-	(38.28)
Translation of foreign operation	-	-	-	(194.78)	(194.78)	(10.03)	(204.81)
Balance as at 31 March, 2019	199.61	3,502.05	56,800.33	(352.47)	59,949.91	(6.76)	60,142.76
Add: Profit during the Year	-	-	15,675.43	-	15,675.43	45.72	15,721.15
Remeasurement of employees benefit	-	-	(73.56)	-	(73.56)	-	(73.56)
Translation of foreign operation	-	-	-	(97.23)	(97.23)	(26.75)	(123.98)
Balance as at 31 March, 2020	199.61	3,502.05	72,402.20	(449.70)	75,454.55	12.21	75,666.37
Less: Transfer on account of demerger (Refer note 61)	-	-	(57,802.35)	-	(57,802.35)	-	(57,802.35)
Add: Profit during the Year	-	-	20,206.04	-	20,206.04	22.40	20,228.44
Remeasurement of employees benefit	-	-	(48.61)	-	(48.61)	-	(48.61)
Translation of foreign operation	-	-	-	(48.72)	(48.72)	(47.39)	(96.11)
Balance as at 31 March, 2021	199.61	3,502.05	34,757.28	(498.42)	37,760.91	(12.78)	37,947.74
Add: Profit during the Period	-	-	6,325.65	-	6,325.65	54.86	6,380.51
Remeasurement of employees benefit	-	-	(84.01)	-	(84.01)	-	(84.01)
Translation of foreign operation	-	-	-	(95.07)	(95.07)	(17.78)	(112.85)
Balance as at 30 September, 2021	199.61	3,502.05	40,998.92	(593.49)	43,907.48	24.30	44,131.39
See accompanying notes to the Restated Consolidated Financial Information							
As per our Report of even date				For and on behalf of the Board of Directors of Macleods Pharmaceuticals Limited			
For B.A.K.D. & Co. Chartered Accountants (Registration No. 138880W)	For Walker Chandio & Co LLP Chartered Accountants (Registration No. 001076N/NS00013)						
				Girdharilal Bawri Founder Executive Director DIN - 00034197		Banwarilal Bawri Founder Jt. Managing Director DIN - 00017795	
Anushree Agarwal Partner Membership No. 163509	Bharat Shetty Partner Membership No. 106815						
Place: Mumbai Date: 3 February, 2022	Place: Mumbai Date: 3 February, 2022			Patri Venkat Raghavendra Rao Chief Financial Officer		Siddhesh Rane Company Secretary	

Macleods Pharmaceuticals Limited				
Restated Consolidated Cash flow statement				
(₹ in millions)				
Particulars	For the six months ended 30 September, 2021	For the Year ended 31 March, 2021	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
A. Cash flow from operating activities				
Net Profit before tax	7,004.46	25,060.26	18,597.98	15,178.81
Adjustments for:				
Depreciation/ Amortization expense	798.23	1,344.00	1,304.21	1,229.36
Finance cost	31.64	63.02	77.60	56.41
Interest income	(102.55)	(2,180.29)	(2,580.27)	(1,624.20)
Income from investments - dividends	(0.02)	(65.71)	(45.84)	(32.90)
Loss/(Profit) on sale of Property, plant and equipment	0.46	(0.18)	5.70	0.13
Expected Credit Loss	17.50	(3.16)	11.83	11.79
(Gain) /loss on sale of financial instruments	-	(438.16)	(40.96)	(2,325.60)
Unrealised (gain) /loss on financial instruments	-	(2,127.68)	855.41	1,274.16
Operating Profit before working capital changes	7,749.72	21,652.10	18,185.66	13,767.96
Adjustments for changes in working capital :				
-(Increase)/ Decrease in inventories	(1,178.20)	(5,746.39)	(1,523.54)	(448.03)
-(Increase)/ Decrease in trade receivables	(316.69)	2,417.93	(2,646.32)	(2,178.20)
-(Increase)/ Decrease in other current assets	58.46	117.93	(2,043.56)	(225.14)
-(Increase)/ Decrease in other non current assets	(12.76)	54.34	250.37	268.94
-Increase/ (Decrease) in trade payables	1,818.49	(1,025.41)	2,425.33	(1,418.07)
-Increase/ (Decrease) in other current liabilities	1,295.61	(292.51)	804.03	235.43
-Increase/ (Decrease) in other non current liabilities	15.13	3.19	27.56	9.14
-Increase/ (Decrease) in Provisions	(196.39)	358.48	1,834.35	784.47
Cash generated from Operations	9,233.37	17,539.66	17,313.88	10,796.50
-Taxes paid (including tax deducted at source)	(1,723.51)	(4,855.10)	(3,579.65)	(3,854.36)
Net Cash from Operating Activities (A)	7,509.86	12,684.56	13,734.23	6,942.14
As per our Report of even date		For and on behalf of the Board of Directors of Macleods Pharmaceuticals Limited		
For B.A.K.D. & Co.	For Walker ChandioK & Co LLP			
Chartered Accountants	Chartered Accountants			
(Registration No. 138880W)	(Registration No. 001076N/N500013)		Girdharilal Bawri	Banwarilal Bawri
			Founder Executive Director	Founder Jt. Managing Director
			DIN - 00034197	DIN - 00017795
Anushree Agarwal	Bharat Shetty			
Partner	Partner			
Membership No. 163509	Membership No. 106815			
Place: Mumbai	Place: Mumbai		Patri Venkat Raghavendra Rao	Siddhesh Rane
Date: 3 February, 2022	Date: 3 February, 2022		Chief Financial Officer	Company Secretary

Macleods Pharmaceuticals Limited				
Restated Consolidated Cash flow statement				
(₹ in millions)				
Particulars	For the six months ended 30 September, 2021	For the Year ended 31 March, 2021	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
B. Cash flow from Investing Activities				
Purchase of Property, Plant and Equipment	(1,399.21)	(5,240.68)	(4,158.72)	(1,470.55)
Proceeds from sale of Property, Plant and Equipment	66.54	100.28	107.00	81.87
Purchase of Intangible asset Under Development	(14.89)	-	-	-
Investment in equity accounted investee	(123.98)	-	(102.48)	-
Cash flows on account of de-merger activities	(3,704.69)	1,953.83	-	-
(Purchase) / Sale of investments (net)	-	(9,147.49)	(4,703.73)	10,357.93
(Purchase) / Redemption of fixed deposits (net)	(4.65)	(2,719.10)	(5,285.08)	(17,462.03)
Loans (given)/ repayments (net)	(905.23)	1.67	(1.41)	0.65
Interest received	25.83	1,609.90	2,452.83	603.89
Dividend received	0.02	65.71	45.84	32.90
Net Cash used in Investing Activities (B)	(6,060.26)	(13,375.88)	(11,645.75)	(7,855.34)
C. Cash flow from financing activities				
Proceeds /(repayment) of short term borrowings (net)	(332.87)	436.49	(957.87)	960.37
Interest paid	(16.60)	(31.24)	(51.60)	(41.08)
Dividend paid (including dividend distribution tax)	-	-	-	(240.64)
Payment of lease liabilities	(58.52)	(110.30)	(76.33)	(47.29)
Net cash from/(used in) financing activities (C)	(407.99)	294.95	(1,085.80)	631.36
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	1,041.61	(396.37)	1,002.68	(281.84)
Cash and cash equivalents at the Beginning of the period/Year	721.47	1,267.46	533.47	1,099.74
Exchange fluctuation on cash and cash equivalents	(258.77)	(149.62)	(268.69)	(284.43)
Cash and cash equivalents at the end of the Period/Year	1,504.31	721.47	1,267.46	533.47
As per our Report of even date		For and on behalf of the Board of Directors of Macleods Pharmaceuticals Limited		
For B.A.K.D. & Co.		For Walker Chandiok & Co LLP		
Chartered Accountants		Chartered Accountants		
(Registration No. 138880W)		(Registration No. 001076N/N500013)		
		Girdharilal Bawri		Banwarilal Bawri
		Founder Executive Director		Founder Jt. Managing Director
		DIN - 00034197		DIN - 00017795
Anushree Agarwal		Bharat Shetty		
Partner		Partner		
Membership No. 163509		Membership No. 106815		
Place: Mumbai		Place: Mumbai		Patri Venkat Raghavendra Rao
Date: 3 February, 2022		Date: 3 February, 2022		Siddhesh Rane
		Chief Financial Officer		Company Secretary

MACLEODS PHARMACEUTICALS LIMITED

NOTES TO THE RESTATED CONSOLIDATED FINANCIAL INFORMATION

1A. OVERVIEW-CORPORATE INFORMATION:

Macleods Pharmaceuticals Limited (“MPL” or the “Company”) is one of the leading, organically grown vertically integrated global pharmaceutical company, engaged in the development, manufacture and marketing of Pharmaceutical formulations.

The Company is a closely held public company domiciled in India and incorporated under the provisions of the erstwhile Companies Act, 1956. The address of its corporate office is 304, Atlanta Arcade, Marol Church Road, Andheri (East), Mumbai-400059.

The Company’s research and development facilities are located in the State of Maharashtra, India and Gujarat, India; Its manufacturing facilities are located in the states/ territories of Maharashtra, Daman, Gujarat, Himachal Pradesh, Sikkim and Special Economic Zone located in Indore, Madhya Pradesh.

The Group has its wide network of manufacturing, trading and other incidental operations in India and International markets.

The restated consolidated financial information comprise financial information of Macleods Pharmaceuticals Limited (the ‘Company’) and its subsidiaries (the Company and its subsidiaries together referred to as the ‘Group’), and its associates.

1B. STATEMENT OF COMPLIANCE:

Compliance with Indian Accounting Standards (Ind-AS)

The restated consolidated financial information of the Group and its associates have been compiled from the audited special purpose interim consolidated financial statements as at and for the six months ended 30 September 2021 and audited financial statements as at and for the years ended 31 March 2021, 31 March 2020 and 31 March 2019, which in turn had been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (hereinafter referred to as the ‘Ind AS’) as notified under section 133 of the Companies Act, 2013 (the ‘Act’) read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015, and presentation requirements of revised Schedule III under the Companies Act, 2013, as amended from time to time by the Ministry of Corporate Affairs and other relevant provisions of the Act and accounting principles generally accepted in India.

These restated consolidated financial information have been prepared on a going concern basis, on the basis of relevant Ind AS that are effective or elected for early adoption at the reporting date, 30 September 2021.

MACLEODS PHARMACEUTICALS LIMITED

NOTES TO THE RESTATED CONSOLIDATED FINANCIAL INFORMATION

1C. SCHEME OF DEMERGER:

Demerger of Investments Division from Macleods Pharmaceuticals Limited

Pursuant to the Scheme of Arrangement ("Scheme") between the Company and Agarwal Holding Private Limited ("Resulting Company" or "AHPL"), the Downstream Investment Undertaking ("Demerged Undertaking") has been demerged from the Company to the Resulting Company with effect from opening of business hours on 1 January 2021 ("Appointed Date"). National Company Law Tribunal, Mumbai Bench ("NCLT Mumbai") had sanctioned the above Scheme on 23 December 2021. As per the Scheme, the assets and liabilities of the Company in relation to Demerged Undertaking stands vested in and are transferred to Resulting Company from the Appointed Date i.e. 1 January 2021. Accordingly, the Company has recorded the demerger from the appointed date as prescribed in the Scheme and as per General Circular no. 09/2019 issued by MCA dated 21 August 2019. The net value of assets and liabilities of the Demerged undertaking of ₹ 57,802.35 millions has been adjusted in the retained earnings of the Company. Board of Directors has discussed the accounting of the said scheme in their meeting held on 16 February 2021 and ensured that the same is in line with the approved scheme. Copy of INC 28 is yet to be submitted to the Registrar of Companies (ROC) and the same is considered as procedural or perfunctory in nature from accounting perspective.

Previous year figures as at and for the year ended 31 March 2021 have been restated to give effect of the Scheme from the appointed date and are not comparable with current year figures.

1D. BASIS OF PREPARATION OF RESTATED CONSOLIDATED FINANCIAL INFORMATION:

1.1 Basis of preparation and presentation of restated consolidated financial information:

The restated consolidated financial information relates to the Group and its associates and has been specifically prepared for inclusion in the document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with the proposed Initial Public Offer ('IPO') of equity shares of the Company (referred to as the "Issue"). The restated consolidated financial information comprise the Restated Consolidated Balance Sheet as at 30 September 2021, 31 March 2021, 31 March 2020 and 31 March 2019, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Cash Flow Statement, the Restated Consolidated Statement of Changes in Equity and Statement of Significant Accounting Policies and other explanatory information for the six months period ended 30 September 2021 and the years ended 31 March 2021, 31 March 2020 and 31 March 2019 (collectively referred to as "Restated Consolidated Financial Information").

The Restated Consolidated Financial Information has been prepared to comply in all material respects with the requirements of Section 26 of Part I of Chapter III of the Act, as amended read with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations").

MACLEODS PHARMACEUTICALS LIMITED

NOTES TO THE RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Restated Consolidated Financial Information has been compiled by the Management from:

a. The audited special purpose interim consolidated financial statements as at and for the six months period ended 30 September 2021, prepared in accordance with the Ind AS prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act, which have been approved by the Board of Directors at their meeting held on 03 February 2022.

b. The audited consolidated financial statements as at and for the years ended 31 March 2021, 31 March 2020 and 31 March 2019, prepared in accordance with Ind AS prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act, which have been approved by the Board of Directors at their meeting held on 18 August 2021, 14 December 2020 and 27 September 2019 respectively.

The preparation of these restated consolidated financial information requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to these restated consolidated financial information are disclosed in section 1D(1.1)(iv).

(i) Basis of measurement:

The Restated Consolidated Financial Information have been prepared on the historical cost convention and on accrual basis, except for the following material items in the balance sheet:

- Financial Assets and Liabilities are measured either at fair value or at amortized cost depending on the classification.
- Defined Benefit plans- Plan Assets measured at fair value.
- Lease liability and Right-of-use Assets Measured at fair value.

(ii) Functional and Presentation Currency

The restated consolidated financial information are presented in Indian Rupee which is also the functional currency of the parent Company. All amounts disclosed in the restated consolidated financial information and notes have been rounded off to the nearest million or decimal thereof as per the requirement of Schedule III, unless otherwise stated. Amount less than INR 5,000/- is presented as zero. Items included in the restated consolidated financial information of each of the entities in the Group are measured using the currency of the primary economic environment in which the specific entity operates (the 'functional currency') unless use of a different currency is appropriate.

(iii) Consistency of accounting policy

The accounting policies are applied consistently to all the periods presented in the restated consolidated financial information, except where a newly issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hitherto in use.

MACLEODS PHARMACEUTICALS LIMITED

NOTES TO THE RESTATED CONSOLIDATED FINANCIAL INFORMATION

(iv) Use of Estimates and Judgements:

The preparation of the restated consolidated financial information requires the Management to make estimates and assumptions in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. The Management believes that the estimates used in preparation of the restated consolidated financial information are prudent and reasonable. Actual results may differ from these estimates. Any revision of these estimates is recognized prospectively in the current and future periods. Estimates and underlying assumptions are reviewed on an ongoing basis.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect in the carrying amounts of assets and liabilities within the next financial year, are included in the accounting policies.

Following are the critical judgements and estimates:

Judgements:

i. Leases- Ind AS 116

“Leases” requires lessees to determine the lease term as the non-cancellable period of a lease adjusted for any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group’s operations taking into account the location of the underlying asset and the availability of suitable alternatives.

ii. Provisions and contingent liabilities

The Group exercises judgement in measuring and recognizing provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

iii. Research and developments costs

Management monitors progress of internal research and development projects by using a project management system. Significant judgement is required in distinguishing research from the development phase. Development costs are recognized as an asset when all the criteria are met, whereas research costs are expensed as incurred. Management also monitors whether the recognition requirements for development costs continue to be met. This is necessary due to inherent uncertainty in the economic success of any product development.

MACLEODS PHARMACEUTICALS LIMITED

NOTES TO THE RESTATED CONSOLIDATED FINANCIAL INFORMATION

iv. Income taxes

Significant judgements are involved in determining the provision for income taxes including judgement on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

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

Estimates:

i. Sales 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 operate in various markets. Accordingly, the estimate of sales returns is determined primarily by the Group's historical experience in the markets in which they operate. 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.

ii. Expected credit loss

The Group applies expected credit loss (ECL) model for measurement and recognition of loss allowance on the following:

- Trade receivables and lease receivables.
- Financial assets measured at amortised cost (other than trade receivables and lease receivables).
- Financial assets measured at fair value through other comprehensive income (FVTOCI).

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

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For this purpose, the Group follows 'simplified approach' for recognition of impairment loss allowance on the trade receivable balances. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

In case of other assets, the Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to twelve month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

iii. Useful lives of property, plant and equipment, and intangible assets

Property, plant and equipment, and intangible assets represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their useful life, such as changes in technology.

iv. Accounting for defined benefit plans

In accounting for post-retirement benefits, several statistical and other factors that attempt to anticipate future events are used to calculate plan expenses and liabilities. These factors include expected return on plan assets, discount rate assumptions and rate of future compensation increases. To estimate these factors, actuarial consultants also use estimates such as withdrawal, turnover, and mortality rates which require significant judgement. The actuarial assumptions used by the Group may differ materially from actual results in future periods due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans.

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v. Impairment

An impairment loss is recognized for the amount by which an asset's or cash generating unit's carrying amount exceeds its recoverable amount to reflect the recoverable amount. Management estimates expected future cash flows from each asset or cash generating unit, as the case may be and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, Management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary and may cause significant adjustments to the Group's assets. In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset specific risk factors.

vi. Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes on financial assets and liabilities. In applying the valuation techniques, Management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, Management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

vii. Current and non-current classification

All assets and liabilities are presented in the Balance Sheet based on current or non-current classification as per the Group's normal operating cycle and other criteria set out in Schedule III of the Act and Ind AS 1, Presentation of Financial Statements. Based on the nature of products and the time between the acquisition of assets for processing and their realization, the Group has ascertained its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period.
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

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A liability is treated as current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

viii. Principles of consolidation

The restated consolidated financial information relate to Macleods Pharmaceuticals Limited, its subsidiaries and associates. Subsidiaries are all entities over which the Company exercises control. The Company exercises control if and only if it has:

- power over the entity;
- exposure, or rights, to variable returns from its involvement with the entity; and
- the ability to use its power over the entity to affect the amount of its returns.

The restated consolidated financial information has been prepared on the following basis:

- The financial information of the subsidiaries in the Group have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions and resulting unrealised profits. Unrealised losses resulting from intra-group transactions are eliminated unless cost cannot be recovered.
- The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity.
- The profit and other comprehensive income attributable to non-controlling interest of subsidiaries are shown separately in the consolidated statement of profit or loss and consolidated statement of changes in equity.
- An associate is an entity over which the investor 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 of those policies. Investments in associates are accounted for using the equity method unless otherwise stated.

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- Under the equity method, on initial recognition, the investment in an associate is recognized at cost. The carrying amount of the investment in associates is increased or decreased to recognize the Group's share of the profit or loss after the date of acquisition, unless the share purchase agreement specifies otherwise. When necessary, adjustments are made to bring the accounting policies in line with those of the Group. Unrealised gains and losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.
- The restated consolidated financial information of the subsidiaries and associates used for the purpose of consolidation are drawn up to the same reporting date as that of the Group.
- The restated consolidated financial information have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner, as the Group's separate restated financial information.
- Upon loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in the consolidated profit or loss. If the Group retains any interest in the historic subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a FVTOCI or FVTPL financial asset, depending on the level of influence retained.

1E. SIGNIFICANT ACCOUNTING POLICIES:

I. Property, Plant and Equipment & Depreciation:

(i) Recognition and Measurement

The Group has elected to continue with the carrying value of its Property, plant and equipment on the basis of historical cost as recognized in the historical financial statements pursuant to the exemption under Ind AS 101.

The cost of an Item of Property, Plant & Equipment is determined as under:

- Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses, if any. The cost of fixed assets comprises of its purchase price, non-refundable taxes & levies, freight and other incidental expenses related to the acquisition and installation of the respective assets. Borrowing cost attributable to financing of acquisition or construction of the qualifying fixed assets is capitalized to respective assets when the time taken to put the assets to use is substantial.
- When major items of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. The cost of replacement of any property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably.

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- The Group identifies and determines cost of each component/part of the property, plant and equipment separately, if the component/part has a cost which is significant to the total cost of the property, plant and equipment and has useful life that is materially different from that of the remaining property, plant and equipment.
- Capital work in progress are items which are not ready for intended use and are carried at cost, comprising of direct costs, related incidental expenses and attributable interest less impairment loss, if any.
- Pre-operative expenditure comprising of revenue expenses incurred in connection with project implementation during the period up to commencement of commercial production are treated as part of the project costs and are capitalized. Such expenses are capitalized only if the project to which they relate, involve substantial expansion of capacity or upgradation.
- Gains or losses arising from de-recognition of Property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset determined post depreciation at the time of its disposal and are recognized in the Statement of Profit and Loss when the asset is derecognized. Any gain or loss on disposal of an item of property, plant and equipment is recognized in Statement of Profit and Loss.
- Items of Capital nature valued not more than Rs.5,000/- are charged to Revenue in the Statement of Profit and Loss and not capitalized. Accordingly, there is no depreciation charged on these assets.

(ii) Subsequent Expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Freehold land is carried at historical cost and not depreciated. For other assets, depreciation is provided, pro-rata for the period of use, on the straight-line method, based on the respective estimate of useful lives, as given below. Estimated useful lives of assets are determined based on technical parameters/assessments. The estimated useful lives, residual values and depreciation method are reviewed at each financial year-end and changes in estimates, if any are accounted for on a prospective basis.

As a result of uncertainties inherent in business activities, the residual values of depreciable assets cannot be measured with precision and hence Group depreciates the value of assets over the useful life prescribed under Part C of Schedule II to the Act, leaving no residual value. Useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end.

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The management believes that useful lives currently used, which is as prescribed under Part C of Schedule II to the Act, fairly reflect its estimate of the useful lives of its assets and depreciation is charged accordingly.

The estimated useful lives of assets are as under:

Type of Assets	Useful Life
Leasehold Land	Over lease Period
Office Buildings	60 Years
Factory Buildings	30 Years
Plant and Equipment	15 to 20 Years
Laboratory Equipment	10 to 20 Years
Electrical Equipment	10 Years
Furniture & Fixtures	10 Years
Office Equipment	5 to 6 Years
Computer Equipment	3 Years
Vehicles	8 Years

II. Intangible Assets:

(i) Recognition and Measurement

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises of its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is de-recognized

The Group has elected to continue with the carrying value of all its intangible assets on basis of historical cost, as recognized in the historical financial statements pursuant to the exemption under Ind AS 101.

(ii) Subsequent Expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Expenditure on regulatory approval

Expenditure for obtaining regulatory approvals and registration of products for overseas markets is charged to the profit or loss.

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(iv) Amortization

Intangible assets are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset are reviewed at least at the end of each reporting period. The amortization expense on intangible assets is recognized in the Statement of Profit and Loss.

The estimated lives for amortization of Intangible assets are as under:

Type of Assets	Useful Life
Trade Marks & Brand Rights	5 Years
Software	5 Years

The estimated useful lives of intangible assets and the amortization period are reviewed at the end of each financial year and the amortization method is revised to reflect the changed pattern, if any.

III. Investment Properties:

Property that is held for long-term yields or for capital appreciation or both, and that is not occupied by the Group, is classified as Investment Property. Investment Property is measured initially at its cost, including related transaction costs and where applicable, borrowing costs. Subsequent expenditure are capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. Investment Properties are depreciated using the straight-line method over their estimated useful lives.

The estimated useful life of Investment Properties is 60 years.

IV. Foreign currency transaction and translation:

Foreign currency transactions are translated into the functional/reporting currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at reporting date end exchange rates are generally recognized in the Statement of Profit and Loss.

Non-monetary assets and liabilities that are measured at historical cost in foreign currency are not retranslated.

However, foreign currency differences arising from the translation of the following items are recognized in other comprehensive income ("OCI"):

- Exchange differences on translation of financial statements of foreign operations.

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V. Financial Instruments:

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

(i) Financial Assets

Initial recognition and measurement

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets at fair value through profit or loss are recognized immediately in profit or loss.

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 by the Group.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (e.g., regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognized at fair value. The Group's trade receivables do not contain any significant financing component and hence are measured at the transaction price derived under Ind AS 115.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as:

- Debt instruments measured at amortized cost
- Debt instruments, and equity instruments at fair value through profit or loss (FVTPL)
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt Instruments at Amortised Cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- a) the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

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- b) 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 amortized cost using the Internal rate of return (IRR) method and are subject to impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in the statement of profit and loss and presented in other income. The losses arising from impairment are recognized in the statement of profit and loss.

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 FVTPL. For all other equity instruments, the Group decides to classify the same either as at FVTOCI 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 FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized 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. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit or loss. Transaction costs of financial assets at FVTPL are expensed in profit or loss.

Impairment of financial assets

The Group assesses at each reporting date whether a financial asset or a group of financial assets is impaired. In accordance with Ind AS 109, the Group applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on trade receivables or any contractual right to receive cash or another financial asset. For this purpose, the Group follows a 'simplified approach' for recognition of impairment loss allowance on the trade receivable balances. The application of this simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

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Investments in subsidiaries and associates:

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and associates, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss. Upon first-time adoption of Ind AS, the Group has elected to measure its investments in subsidiaries and associates with the historical GAAP carrying amounts as its deemed cost on the date of transition to Ind AS i.e., 1 April 2015.

De-recognition

The Group de-recognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

(ii) Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains or losses attributable to changes in own credit risk is recognized in OCI.

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Financial liabilities at Amortized Cost

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the statement of profit and loss over the period of the borrowings using the incremental borrowing rate.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the incremental borrowing rate method. Gains and losses are recognized in the statement of profit and loss when the liabilities are de-recognized as well as through the incremental borrowing rate amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the incremental borrowing rate. The incremental borrowing rate amortization is included as finance costs in the statement of profit and loss.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. 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 between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Income recognition:

Dividend is accounted when the right to receive payment is established. Interest income from financial assets is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. For this purpose, "short-term" means investments having original maturities of three months or less from the date of investment.

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VI. Leases:

The Group assesses at contract inception whether a contract is or contains a lease, which applies, if the contract conveys the right to control the use of the identified asset for a period of time in exchange for consideration. The Group recognizes right-of-use asset at the commencement date of the lease, i.e. the date the underlying asset is available for use. Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments to be made over the lease term:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease payments are discounted using the incremental borrowing rate. If that rate cannot be readily determined, which is generally the case for leases in the Group, then the lessee's incremental borrowing rate is used. Such borrowing rate is calculated as the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The Group's lease liabilities are included in borrowings.

Lease payments are allocated between principal and interest cost. The interest cost is charged to restated consolidated statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost less accumulated depreciation and accumulated impairment comprised of the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The Group has elected not to apply requirements of Ind AS 116 to leases that has a term of 12 months or less and leases for which the underlying asset is of low value. The methodology and assumptions used to estimate low value assets are monitored in the light of historical trends and past experience by the Management. Lease payments of such lease are recognized as an expense on straight line basis over the lease term.

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The right-of-use assets are initially recognized on the Balance sheet at cost, which is calculated as the amount of the initial measurement of the corresponding lease liability, adjusted for any lease payments made at or prior to the commencement date of the lease, any lease incentive received and any initial direct costs incurred by the Group.

As a lessor:

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

Arrangements in the nature of lease:

The Group enters into agreements, comprising a transaction or series of related transactions that does not take the legal form of a lease but conveys the right to use the asset in return for a payment or series of payments. In case of such arrangements, the Group applies the requirements of Ind AS 116 "Leases" to the lease element of the arrangement. For the purpose of applying the requirements under Ind AS 116 "Leases", payments and other consideration required by the arrangement are separated at the inception of the arrangement into those for lease and those for other elements.

VII. Revenue Recognition:

A contract with a customer exists only when: the parties to the contract have approved it and are committed to perform their respective obligations, the Group can identify each party's rights regarding the distinct goods or services to be transferred ("performance obligations"), the Group can determine the transaction price for the goods or services to be transferred, the contract has commercial substance and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

Revenues are recorded in the amount of consideration to which the Group expects to be entitled in exchange for performance obligations upon transfer of control to the customer and is measured at the fair value of the consideration received or receivable, net of returns, sales tax and applicable trade discounts, allowances, goods and services tax (GST) and amounts collected on behalf of third parties.

i. Sale of products:

The majority of customer contracts that the Group enters into consist of a single performance obligation for the delivery of pharmaceutical products. The Group recognizes revenue from product sales when control of the product transfers, generally upon shipment or delivery, to the customer, or in certain cases, upon the corresponding sales by customer to a third party. The Group records product sales net of estimated incentives/discounts, returns, and other related charges. These are generally accounted for as variable consideration estimated in the same period the related sales occur. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions.

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The revenue for such variable consideration is included in the Group's estimate of the transaction price only if it is highly probable that a significant reversal of revenue will not occur once any uncertainty is resolved. In making this assessment, the Group considers its historical record of performance on similar contracts.

ii. Sales by clearing and forwarding agents:

Revenue from sales of products in India is recognized upon delivery of products to distributors by clearing and forwarding agents of the Group. Control in respect of ownership of products is transferred by the Group when the goods are delivered to distributors from clearing and forwarding agents. Clearing and forwarding agents are generally compensated on a commission basis as a percentage of sales made by them.

iii. Out-licensing arrangements:

Revenues include amounts derived from product out-licensing agreements. The Group enters into collaborations and out licensing arrangements of the Group's products to other parties.

Licensing arrangements' performance obligations generally include intellectual property (IP) rights, certain R&D and contract manufacturing services. The Group accounts for IP rights and services separately if they are distinct i.e., if they are separately identifiable from other items in the arrangement and if the customer can benefit from them on their own or with other resources that are readily available to the customer. The consideration is allocated between IP rights and services based on their relative stand-alone selling prices.

Revenue from IP rights is recognized at the point in time when control of the distinct license is transferred to the customer, the Group has a present right to payment and ownership is transferred to the customer.

Revenue from sales-based milestones and royalties promised in exchange for a license of IP is recognized only when, or as, the later of subsequent sale or the performance obligation to which some or all of the sales-based royalty has been allocated, is satisfied. The Group estimates variable consideration in the form of sales-based milestones by using the expected value or most likely amount method, depending on which method the Group expects to better predict the amount of consideration to which it will be entitled.

iv. Service fee

Revenue from services rendered is recognized in the profit or loss as the underlying services are performed. Upfront non-refundable payments received under these arrangements are deferred and recognized as revenue over the expected period over which the related services are expected to be performed.

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v. Profit sharing revenues

The Group from time to time enters into marketing arrangements with certain business partners for the sale of its products in certain markets. Under such arrangements, the Group sells its products to the business partners at a non-refundable base purchase price agreed upon in the arrangement and is also entitled to a profit share which is over and above the base purchase price. The profit share is typically dependent on the business partner's ultimate net sale proceeds or net profits, subject to any reductions or adjustments that are required by the terms of the arrangement. Such arrangements typically require the business partner to provide confirmation of units sold and net sales or net profit computations for the products covered under the arrangement.

Revenue in an amount equal to the base sale price is recognized in these transactions upon delivery of products to the business partners. An additional amount representing the profit share component is recognized as revenue only to the extent that it is highly probable that a significant reversal will not occur.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

vi. Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

vii. Dividends

Dividend income from investments is recognized when the right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

VIII. Taxes:

Current income tax

Tax expense comprises of current and deferred tax and includes any adjustments related to past periods in current and/or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period. The provision for current tax is made at the rate of tax as applicable for the income of the previous year as defined under the Income tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

MACLEODS PHARMACEUTICALS LIMITED

NOTES TO THE RESTATED CONSOLIDATED FINANCIAL INFORMATION

Deferred tax

Deferred tax is recognized using the Balance Sheet approach, on temporary differences at the reporting date, between the tax base of assets and liabilities and their carrying amounts for financial reporting purpose at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is expected to be recovered or settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized, either in other comprehensive income or directly in equity is also recognized in other comprehensive income or in equity, as appropriate and not in the Statement of Profit and Loss.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities.

Uncertain tax positions:

Accruals for uncertain tax positions require management to make judgements of potential exposures. Accruals for uncertain tax positions are measured using either the most likely amount or the expected value amount depending on which method the entity expects to better predict the resolution of the uncertainty. Tax benefits are not recognized unless the tax positions will probably be accepted by the tax authorities. This is based upon management's interpretation of applicable laws and regulations and the expectation of how the tax authority will resolve the matter. Once considered probable of not being accepted, management reviews each material tax benefit and reflects the effect of the uncertainty in determining the related taxable amounts.

Minimum alternative tax (MAT)

MAT paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognized as an asset when it is probable that the future economic benefit associated with it will flow to the Group.

IX. Research and Development:

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also generally charged to the Statement of Profit and Loss in the year these are incurred. These costs are charged to the respective heads in the Statement of Profit and Loss in the year these are incurred.

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The amount capitalized comprises of expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilized for research and development are capitalized and depreciated in accordance with the policies stated for Property, plant & equipment and Intangible Assets.

X. Impairment of Assets:

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired, if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Non-financial assets

Tangible and intangible assets

The Group assesses, generally at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows independently of those of other assets or group of assets.

When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

XI. Inventories

Raw materials and packing materials are valued at lower of cost and net realisable value after providing for obsolescence, if any. 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.

Consumables, work-in-progress, stock-in-trade and finished goods are valued at lower of cost and net realisable value.

Cost includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity. Cost of inventories is determined on a weighted moving average basis.

Stores and spares are generally charged to statement of profit and loss as and when incurred.

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The factors that the Group considers in determining the provision for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Group's business and markets. The Group considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

XII. Employee Benefits:

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided and where the Group will have no legal or constructive obligation to pay further amounts. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

Post retirement benefit plans such as gratuity are determined on the basis of actuarial valuation made by an independent actuary as at the balance sheet date. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected in balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss.

i. Gratuity Obligations

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

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The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in Statement of Profit and Loss as past service cost.

ii. Other Benefit Plan - Leave Encashment (Compensated absences)

Liability in respect of leave encashment becoming due or expected to be availed within one year from the balance sheet date is recognized on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of leave encashment becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary.

iii. Termination Benefits

Termination benefits arising are recognized in the Statement of Profit and Loss when:

- (a) the Group has a present obligation as a result of past event;
- (b) a reliable estimate can be made of the amount of the obligation; and
- (c) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

XIII. Earnings per equity share

Basic Earnings per equity share ('EPS') is computed by dividing the net profit after tax for the period attributable to the equity shareholders of the Group by weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share are computed by dividing the adjusted net profit attributable to equity holders of the Group by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

XIV. Provisions, Contingent Liabilities and Contingent Assets:

Provision

A provision is recognized when the Group has a present obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

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If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent Liabilities and Contingent Assets

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognized in the financial statements. A contingent asset is recognized where an inflow of economic benefits is probable. Contingent assets are assessed continually and, if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

XV. Government Grants:

Government Grants are recognized when there is reasonable assurance that the grant will be received and all attached conditions for receiving such grant have been/will be fulfilled.

Government grants related to asset are recognized as deferred income and recognized in statement of profit and loss on a systematic basis over expected useful life of the related asset.

Grants that compensate the Group for expenses incurred are recognized in Statement of Profit and Loss on a systematic basis in the periods in which the expenses are recognized.

Export entitlements from government authorities are recognized in the statement of profit and loss as a reduction from "Cost of materials consumed" when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Group, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

XVI. Insurance claims:

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect the ultimate collection.

XVII. Goods and Services Tax Input Credit:

Goods and Services tax input credit is accounted for in the books in the period in which the underlying service received or goods purchased are accounted and when there is reasonable certainty in availing/utilizing the credits.

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XVIII. Segment reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). The CODM is the Chief Executive Officer of the Group, who assesses the financial performance and position of the Group and makes strategic decisions.

The Group's reportable segment is as follows:

- Pharmaceuticals - This segment develops, manufactures, sells and distributes branded and generic medicines as well as Active Pharmaceutical Ingredients ("API").

The CODM reviews revenue and gross profit as the performance indicator, and does not review the total assets and liabilities for each reportable segment

XIX. Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits with a original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

XX. Dividend distribution to equity shareholders

The Group recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity in the year of approval.

XXI. Cash Flow Statement

Cash Flows are reported using Indirect Method, as set out in Ind AS 7 'Statement of Cash Flows', whereby profit for the year 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 items 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.

XXII. Recent IND AS

Ministry of Corporate Affairs notifies amendments to the existing Ind AS or new Ind AS. There is no such amendment to the existing Ind AS or new Ind AS which are notified and applicable from October 1, 2021.

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XXIII. Impact of COVID – 19

The Group has taken into account all the possible impacts of COVID-19 in preparation of these restated consolidated financial information, including but not limited to its assessment of, recoverable values of its financial and non-financial assets, impact on revenue recognition, and impact on leases. The Group has carried out this assessment based on available internal and external sources of information upto the date of approval of these restated consolidated financial information and believes that the impact of COVID-19 is not material to these financial information and expects to recover the carrying amount of its assets. The impact of COVID-19 on the restated consolidated financial information may differ from that estimated as at the date of approval of these restated consolidated financial information owing to the nature and duration of COVID-19.

XXIV. Recent pronouncements

On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules, 2015 are:

Balance Sheet:

- Lease Liabilities should be separately disclosed under the head “financial liabilities”, duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period rectifications and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible assets under development.
- If a Group has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of the Company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of Profit and Loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head ‘additional information’ in the notes forming part of the financial statements.

Note 2A: Property, Plant and Equipment														(₹ in millions)
Particulars	Freehold Land	Leasehold Land	Factory Buildings	Buildings	Plant & Equipment	Laboratory Equipments	IPQA Process Equipments	Furniture & Fixtures	Bus & Other Vehicles	Vehicles	Office Equipments	Computers	Electrical Installations & Equipments	Total
Gross Block														
Balance as at 1 April 2018	79.28	569.81	3,423.94	892.57	6,358.78	1,683.01	63.86	453.00	15.95	123.37	134.56	81.90	653.73	14,533.76
Additions for the Year	13.92	154.92	71.09	143.17	395.89	192.27	1.06	44.72	2.49	52.88	13.06	8.23	15.88	1,109.58
Disposals during the Year	-	-	(2.29)	(0.27)	(59.70)	(69.46)	(0.04)	(0.11)	-	(16.77)	(2.13)	-	(2.91)	(153.68)
Adjustment during the Year	-	-	-	-	-	-	-	(0.01)	-	(0.15)	(0.01)	(0.05)	-	(0.22)
Balance as at 31 March 2019	93.20	724.73	3,492.74	1,035.47	6,694.97	1,805.82	64.88	497.60	18.44	159.33	145.48	90.08	666.70	15,489.44
Additions for the Year	14.68	1,049.97	336.85	22.70	466.18	426.23	3.36	48.84	2.09	41.50	26.14	13.86	51.86	2,504.26
Disposals during the Year	-	(223.63)	(2.35)	-	(146.00)	(48.78)	-	(2.83)	(1.46)	-	(0.22)	(0.02)	(0.04)	(425.33)
Adjustment during the Year	-	-	-	-	-	-	-	(0.01)	-	(0.11)	(0.01)	(0.04)	-	(0.17)
Less: Transfer to Investment Properties	-	-	-	(180.23)	-	-	-	-	-	-	-	-	-	(180.23)
Balance as at 31 March 2020	107.88	1,551.07	3,827.24	877.94	7,015.15	2,183.27	68.24	543.60	19.07	200.72	171.39	103.88	718.52	17,387.97
Additions for the Year	516.98	-	1,179.89	372.88	1,823.42	416.00	36.18	79.98	-	17.52	42.07	11.77	176.89	4,673.58
Disposals during the Year	-	-	(4.26)	(0.61)	(69.93)	(213.59)	-	(1.58)	-	(0.57)	(2.62)	(0.31)	(1.71)	(295.18)
Adjustment during the Year	(0.24)	-	-	(35.41)	-	-	-	-	-	-	-	0.01	-	(35.64)
Balance as at 31 March 2021	624.62	1,551.07	5,002.87	1,214.80	8,768.64	2,385.68	104.42	622.00	19.07	217.67	210.84	115.35	893.70	21,730.73
Additions for the Period	28.78	1.92	342.48	103.52	524.78	260.29	1.63	44.75	1.08	44.68	24.13	8.45	169.75	1,556.24
Disposals during the Period	-	-	(1.50)	(1.38)	(25.65)	(84.99)	-	(2.56)	-	-	(1.25)	(1.02)	(0.96)	(119.31)
Adjustment during the Period	-	-	-	-	-	-	-	-	-	-	-	0.03	-	0.03
Balance as at 30 September 2021	653.40	1,552.99	5,343.85	1,316.94	9,267.77	2,560.98	106.05	664.19	20.15	262.35	233.72	122.81	1,062.49	23,167.69
Accumulated Depreciation														
Accumulated Balance as at 1 April 2018	-	6.45	469.43	68.27	2,942.94	757.61	10.73	270.58	12.54	71.50	95.18	70.31	265.71	5,041.25
Depreciation Charge for the Year	-	23.04	110.51	14.37	689.96	160.32	6.12	38.47	1.51	21.45	15.28	7.38	56.43	1,144.84
Disposals during the Year	-	-	(0.51)	-	(29.36)	(22.01)	(0.01)	-	-	(15.57)	(1.84)	-	(2.31)	(71.61)
Adjustment during the Year	-	-	-	-	-	-	-	(0.01)	-	(0.15)	(0.01)	(0.05)	-	(0.22)
Accumulated Balance as at 31 March 2019	-	29.49	579.43	82.64	3,603.54	895.92	16.84	309.04	14.05	77.23	108.61	77.64	319.83	6,114.26
Depreciation Charge for the Year	-	19.09	117.97	13.71	746.85	163.43	6.63	34.40	1.16	21.82	15.22	8.95	54.30	1,203.53
Disposals during the Year	-	-	(0.46)	-	(76.60)	(16.78)	-	(2.28)	(1.46)	-	(0.20)	(0.02)	(0.03)	(97.83)
Adjustment during the Year	-	-	-	-	-	-	-	-	-	(0.11)	-	(0.04)	-	(0.15)
Less: Transfer to Investment Properties	-	-	-	(8.64)	-	-	-	-	-	-	-	-	-	(8.64)
Accumulated Balance as at 31 March 2020	-	48.58	696.94	87.71	4,273.79	1,042.57	23.47	341.16	13.75	98.94	123.63	86.53	374.10	7,211.17
Depreciation Charge for the Year	-	12.65	139.40	13.90	706.03	186.70	8.36	40.91	1.13	25.27	17.48	10.44	63.94	1,226.21
Disposals during the Year	-	-	(0.20)	(0.02)	(22.33)	(96.79)	-	(0.45)	-	(0.57)	(0.37)	(0.02)	(0.02)	(120.77)
Adjustment during the Year	-	6.41	-	-	-	-	-	-	-	-	-	0.01	-	6.42
Accumulated Balance as at 31 March 2021	-	67.64	836.14	101.59	4,957.49	1,132.48	31.83	381.62	14.88	123.64	140.74	96.96	438.02	8,323.03
Depreciation Charge for the Period	-	9.53	88.90	8.71	427.30	104.37	5.27	21.86	0.51	12.42	12.40	6.19	41.01	738.47
Disposals during the Period	-	-	(0.05)	-	(6.58)	(43.14)	-	(0.97)	-	-	(0.50)	(1.01)	(0.18)	(52.43)
Adjustment during the Period	-	-	-	-	-	-	-	-	-	-	-	0.01	-	0.01
Balance as at 30 September 2021	-	77.17	924.99	110.30	5,378.21	1,193.71	37.10	402.51	15.39	136.06	152.64	102.15	478.85	9,009.08
Net Block														
As at 31 March 2019	93.20	695.24	2,913.31	952.83	3,091.43	909.90	48.04	188.56	4.39	82.10	36.87	12.44	346.87	9,375.18
As at 31 March 2020	107.88	1,502.49	3,130.30	790.23	2,741.36	1,140.70	44.77	202.44	5.32	101.78	47.76	17.35	344.42	10,176.80
As at 31 March 2021	624.62	1,483.43	4,166.73	1,113.21	3,811.15	1,253.20	72.59	240.38	4.19	94.03	70.10	18.39	455.68	13,407.70
As at 30 September 2021	653.40	1,475.82	4,418.86	1,206.64	3,889.56	1,367.27	68.95	261.68	4.76	126.29	81.08	20.66	583.64	14,158.61

Note 2B: Intangible Assets

(₹ in millions)

Particulars	Computer Software	Software Assets-Plant	Trade Marks & Patents	Development Expenses	Total
Gross Block					
Balance as at 1 April 2018	41.86	22.17	5.39	147.90	217.32
Additions for the Year	9.04	0.58	-	-	9.62
Disposals during the Year	-	-	-	(3.08)	(3.08)
Adjustment during the Year	-	-	-	-	-
Balance as at 31 March 2019	50.90	22.75	5.39	144.82	223.86
Additions for the Year	36.00	-	-	4.35	40.35
Disposals during the Year	(0.05)	-	-	(8.47)	(8.52)
Adjustment during the Year	-	-	-	-	-
Balance as at 31 March 2020	86.85	22.75	5.39	140.70	255.69
Additions for the Year	11.54	-	-	8.47	20.01
Disposals during the Year	-	-	-	(8.50)	(8.50)
Adjustment during the Year	-	-	-	-	-
Balance as at 31 March 2021	98.39	22.75	5.39	140.67	267.20
Additions for the Period	2.41	-	-	-	2.41
Disposals during the Period	-	-	-	(0.73)	(0.73)
Adjustment during the Period	-	-	-	-	-
Balance as at 30 September 2021	100.80	22.75	5.39	139.94	268.88
Accumulated Amortisation					
Balance as at 1 April 2018	22.93	6.34	4.43	107.44	141.14
Amortisation Charge for the Year	7.02	1.39	0.96	24.85	34.22
Disposals during the Year	-	-	-	(6.14)	(6.14)
Adjustment during the Year	-	-	-	-	-
Balance as at 31 March 2019	29.95	7.73	5.39	126.15	169.22
Amortisation Charge for the Year	9.32	1.52	-	11.43	22.27
Disposals during the Year	-	-	-	-	-
Adjustment during the Year	-	-	-	-	-
Balance as at 31 March 2020	39.27	9.25	5.39	137.58	191.49
Amortisation Charge for the Year	13.80	1.52	-	3.74	19.06
Disposals during the Year	-	-	-	-	-
Adjustment during the Year	-	-	-	-	-
Balance as at 31 March 2021	53.07	10.77	5.39	141.32	210.55
Amortisation Charge for the Period	6.62	0.76	-	-	7.38
Disposals during the Period	-	-	-	-	-
Adjustment during the Period	-	-	-	-	-
Balance as at 30 September 2021	59.69	11.53	5.39	141.32	217.93
Net Block					
As at 31 March 2019	20.95	15.02	-	18.67	54.64
As at 31 March 2020	47.58	13.50	-	3.12	64.20
As at 31 March 2021	45.32	11.98	-	(0.65)	56.65
As at 30 September 2021	41.11	11.22	-	(1.38)	50.95

Macleods Pharmaceuticals Limited
Notes to the Restated Consolidated Financial Information

Note 2C: Capital Work-in-Progress

(₹ in millions)

Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
Opening Balance	2,527.54	2,106.07	503.79	270.37
Additions during the Period/Year	277.36	527.98	1,652.53	246.21
Capitalised during the Period/Year	(8.83)	(106.51)	(50.25)	(12.79)
Closing Balance	2,796.07	2,527.54	2,106.07	503.79

Refer Note 44 for detailed ageing schedule

Note 2D: Intangible Assets under Development

Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
Opening Balance	-	-	-	-
Additions during the Period/Year	14.89	-	-	-
Capitalised during the Period/Year	-	-	-	-
Closing Balance	14.89	-	-	-

Refer Note 45 for detailed ageing schedule

Note 2E: Investment Properties

Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
Gross Block				
Opening Balance	293.72	293.72	107.97	107.97
Transfer from Property, Plant and Equipment	-	-	180.23	-
Additions during the Period/Year	-	-	5.52	-
Adjustment during the Period/Year	(0.02)	-	-	-
Closing Balance	293.70	293.72	293.72	107.97
Accumulated Depreciation				
Opening Balance	26.71	21.82	8.28	6.58
Transfer from Property, Plant and Equipment	-	-	8.64	-
Depreciation for the Period/Year	2.44	4.89	4.90	1.70
Closing Balance	29.15	26.71	21.82	8.28
Net Block	264.55	267.01	271.90	99.69

Macleods Pharmaceuticals Limited
Notes to the Restated Consolidated Financial Information

Note 2F: Right-Of-Use Assets			(₹ in millions)
Particulars	Leasehold Land	Buildings	Total
Gross Block			
Balance as at 1 April 2018	-	-	-
Additions for the Year	-	269.09	269.09
Disposals during the Year	-	-	-
Adjustment during the Year	-	-	-
Balance as at 31 March 2019	-	269.09	269.09
Additions for the Year	293.02	156.48	449.50
Disposals during the Year	-	-	-
Adjustment during the Year	-	-	-
Balance as at 31 March 2020	293.02	425.57	718.59
Additions for the Year	92.62	27.15	119.77
Disposals during the Year	-	(0.15)	(0.15)
Adjustment during the Year	-	(0.40)	(0.40)
Balance as at 31 March 2021	385.64	452.17	837.81
Additions for the Period	-	44.64	44.64
Disposals during the Period	-	-	-
Adjustment during the Period	-	1.65	1.65
Balance as at 30 September 2021	385.64	498.46	884.10
Accumulated Depreciation			
Balance as at 1 April 2018	-	-	-
Depreciation Charge for the Year	-	48.60	48.60
Disposals during the Year	-	-	-
Adjustment during the Year	-	-	-
Balance as at 31 March 2019	-	48.60	48.60
Depreciation Charge for the Year	2.97	70.54	73.51
Disposals during the Year	-	-	-
Adjustment during the Year	-	-	-
Balance as at 31 March 2020	2.97	119.14	122.11
Depreciation Charge for the Year	3.89	89.95	93.84
Disposals during the Year	-	-	-
Adjustment during the Year	-	-	-
Balance as at 31 March 2021	6.86	209.09	215.95
Depreciation Charge for the Period	1.48	48.46	49.94
Disposals during the Period	-	-	-
Adjustment during the Period	-	-	-
Balance as at 30 September 2021	8.34	257.55	265.89
Net Block			
As at 31 March 2019	-	220.49	220.49
As at 31 March 2020	290.05	306.43	596.48
As at 31 March 2021	378.78	243.08	621.86
As at 30 September 2021	377.30	240.91	618.21

3: INVESTMENT IN EQUITY ACCOUNTED INVESTEEES

(₹ in millions)

Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
(Carrying Amount Determined Using Equity Method Of Accounting)				
Unquoted Equity Instruments				
- Macleods Social Welfare Foundation (Number of shares as on 30 September, 2021- 4,900, 31 March, 2021 - 4,900, 31 March, 2020 - 4,900, 31 March, 2019 - 4,900)	0.09	0.00	0.01	0.01
- Makmed LLC (Percentage of shares as on 30 September, 2021- 45, 31 March, 2021- 45, 31 March, 2020- Nil, 31 March, 2019 - Nil)	0.01	0.01	-	-
- PT Sampharindo Retroviral Indonesia (Refer Note below) (Number of shares as on September 30, 2021- 44,100, March 31, 2021 - 19,800, March 31, 2020 - 19,800, March 31, 2019 - Nil)	234.92	103.44	102.48	-
Total	235.02	103.45	102.49	0.01
(Refer Note 54 For other detailed disclosure)				

Macleods Pharmaceuticals Limited
Notes to the Restated Consolidated Financial Information

EQUITY ACCOUNTED INVESTEEES		(₹ in millions)		
Particulars	Accounting Method	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020
Interest in Associates	Equity Method	234.92	103.45	102.48

List of Material Associates of the Group

Name of Associate of the Group	Country of Incorporation	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020
PT Sampharindo Retroviral Indonesia	Indonesia	49%	22%	22%

The principal place of Business is the same as the country of incorporation

PT Sampharindo Retroviral Indonesia is engaged in the business of manufacturing and trading of Pharmaceutical Products

Summarised financial Information		(₹ in millions)		
		As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020
Percentage ownership interest		49%	22%	22%

Summarised financial Information

Non current Assets	396.67	375.38
Current Assets (excluding cash and cash equivalents)	76.26	66.31
Cash and cash equivalents	34.14	29.32
Current Liabilities (current liabilities other than trade payables and provisions)	(0.34)	(1.53)
Trade payable and provisions	(34.68)	(24.73)
Net Assets	472.05	444.75
Group's share of net assets	231.30	97.85
Carrying amount of interest in associate	231.30	97.85

Revenue	55.20	102.81
Cost of Goods Sold	(24.24)	(64.37)
Depreciation and amortisation	(4.21)	(9.88)
Other expenses	(14.13)	(22.70)
Profit or loss from continuing operations	12.62	5.86
Income tax expenses	-	1.15
Post tax profit or loss from continuing operations	12.62	7.01
Total comprehensive income	12.62	7.01
Group's Share of profit	6.18	1.54
Group's Share of total comprehensive income	6.18	1.54

The Company has obtained significant influence on 11 March, 2020, no major financial information exist as on 31 March, 2020 except Share Capital.

4: Non Current Investments

(₹ in millions)

Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
Perpetual Bonds Carried at Amortised Cost	-	-	9,335.91	7,976.58
Other Investments Carried at Amortised Cost	43.56	43.56	19.11	19.11
Total	43.56	43.56	9,355.02	7,995.69
Aggregate Book Value (Carrying Value) Of Investment	43.56	43.56	9,355.02	7,995.69
(Refer Note 55 and 56 for detailed disclosure On Fair Value Measurement and Credit Risk Analysis)				

5: Non Current Loans

(₹ in millions)

Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
(Carried at Amortised Cost)				
Loans To Related Party (Refer Note 54)				
Unsecured, Considered Good	902.63	-	-	-
Loans To Employees				
Unsecured, Considered Good	4.67	2.07	3.74	2.33
Total	907.30	2.07	3.74	2.33

6: Non Current Other Financial Assets

(₹ in millions)

Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
(Unsecured, Considered Good, Carried at Amortised Cost)				
Security Deposits	59.80	46.40	58.58	62.76
Fixed Deposits With Bank	861.74	1,435.32	21,049.59	2,948.05
Fixed Deposits With Non-Banking Financial Company	598.50	500.00	-	-
Capital Subsidy Receivable	-	-	-	195.15
Total	1,520.04	1,981.72	21,108.17	3,205.96

Bank Deposit of ₹ 620.73 millions (September 30, 2021- 620.73 millions, March 31, 2021 - Nil, March 31, 2020 - ₹ 2,417.70 millions, March 31, 2019 - ₹ 271.12 millions) has been kept lien against Bank Overdraft
(Refer Note 55 and 56 for detailed disclosure On Fair Value Measurement and Credit Risk Analysis)

7: Income Tax Assets (Net)

(₹ in millions)

Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
Advance Tax	23,834.63	21,634.87	16,821.65	13,251.23
Provision For Taxation	(22,896.85)	(21,096.46)	(16,063.48)	(12,558.65)
Income Tax Asset/(Liability) (Net)	937.78	538.41	758.17	692.58

8: Deferred Tax Assets

(₹ in millions)

Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
Deferred Tax Asset/(Liabilities) (Opening)	762.93	323.71	(9.78)	(771.21)
Add/Less : (Provision)/Accrual For Deferred Tax Asset/(Liability) During The Period / Year (net)	(3.62)	439.22	333.49	761.43
Deferred Tax Asset/(Liabilities) (Closing)	759.31	762.93	323.71	(9.78)
Mat Credit Entitlement (Opening)	5,807.00	5,977.98	5,634.70	4,006.94
Less : Mat Credit Of Earlier Years	-	-	-	-
Add : Mat Credit Available/(Reversal) During The Period/Year	741.34	(170.98)	343.28	1,627.76
Mat Credit Entitlement (Closing)	6,548.34	5,807.00	5,977.98	5,634.70
Total	7,307.65	6,569.93	6,301.69	5,624.92

9: Other Non Current Assets:

(₹ in millions)

Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
(Unsecured, Considered Good)				
Capital Advances	76.47	476.68	460.82	220.97
Prepaid Expenses	4.36	3.71	2.59	3.13
Balance With Govt. Department *	52.55	56.44	98.05	149.96
Total	133.38	536.83	561.46	374.06

* Includes Balance Of Goods And Services Tax.

10: Inventories

(₹ in millions)

Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
Lower of Cost or Net Realisable Value				
Raw Materials And Packing Materials	6,050.58	6,289.55	4,612.16	3,986.25
Work- In- Progress	1,478.07	1,261.03	969.45	796.62
Finished Goods	7,042.22	3,515.56	2,737.94	2,249.16
Stock- In- Trade	2,195.80	4,520.65	1,517.96	1,292.23
Consumables	37.04	38.72	41.61	31.32
Total	16,803.71	15,625.51	9,879.12	8,355.58

Inventories (net) (September 30, 2021- ₹ 286.51 millions, March 31, 2021 - ₹ 145.30 millions, March 31, 2020 - ₹ 161.40 millions, March 31, 2019 - ₹ 41.81 millions) has been Written Down during the Period/Year

11: Current Investments

(₹ in millions)

Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
Investment In Mutual Fund and Exchange Traded Fund (Carried at FVTPL)	-	-	1,874.44	1,839.34
Investment In Perpetual Bond (Carried at Amortised Cost)	-	-	500.32	1,101.60
Liquid Fund (Carried at FVTPL)	-	-	2,716.94	-
Investments In Equity Share (Carried at FVTPL)	6.41	6.44	3,507.26	3,128.08
Total	6.41	6.44	8,598.96	6,069.02
Aggregate Amount of Quoted Investments	-	-	8,794.97	4,808.34
Aggregate Market Value of Quoted Investments	-	-	8,098.64	4,967.42

(Refer Note 55 and 56 for detailed disclosure On Fair Value Measurement and Credit Risk Analysis)

12: Trade Receivables

(₹ in millions)

Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
Unsecured				
Considered Good	10,536.42	10,219.73	12,637.66	9,991.34
Considered Doubtful	136.83	119.34	122.50	110.67
Less: Allowance For Expected Credit Loss	(136.83)	(119.34)	(122.50)	(110.67)
Total	10,536.42	10,219.73	12,637.66	9,991.34

(Refer Note 42 for detailed ageing schedule)

(Refer Note 55 for Fair Value Measurement)

13: Cash And Cash Equivalents:

(₹ in millions)

Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
Balance With Banks In Current Account	1,379.90	703.98	1,218.32	470.63
Cheques In Hand	-	9.12	13.92	-
Cash On Hand	13.03	8.37	35.22	62.84
Remittance In Transit	111.38	-	-	-
Total	1,504.31	721.47	1,267.46	533.47

14: Current Loans

(₹ in millions)

Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
(Carried at Amortised Cost)				
Loans To Employees				
Unsecured, Considered Good	2.71	4.20	4.45	3.78
Total	2.71	4.20	4.45	3.78

15: Other Current Financial Assets

(₹ in millions)

Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
(Carried At Amortised Cost)				
Security Deposits	36.63	38.40	18.66	5.75
Fixed Deposits With Bank	210.23	230.50	3,627.93	18,141.39
Fixed Deposits With Non-Banking Financial Company	1,398.50	898.50	1,697.00	-
Export Benefits/Incentives From Government Receivable	1,685.51	2,054.35	1,804.44	1,391.19
Interest Receivable	87.69	10.97	1,541.88	1,414.44
Claims Receivable	2.75	13.72	0.19	1.12
Employee Advances	98.93	129.36	86.18	70.00
Other	1,927.60	(1,733.15)	19.08	13.67
Total	5,447.84	1,642.65	8,795.36	21,037.56

(Note: Other includes receivable / (payable) to Agarwal Holding Company (September 30, 2021 - ₹ 1,750.47 millions; March 31, 2021 - ₹ (1,953.82)) on account of Demerger of Investment Undertaking. Also Refer Note 61)

Bank Deposit of ₹ 0.20 millions has been kept lien against Bank Overdraft during the period/Year
(September 30, 2021- ₹ 0.20 millions, March 31, 2021 - Nil, March 31, 2020 - ₹ 1,771.12 millions, March 31, 2019 - ₹ 1,759.20 millions)

(Refer Note 55 and 56 for detailed disclosure On Fair Value Measurement and Credit Risk Analysis)

16: Other Current Assets

(₹ in millions)

Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
Advances Paid To Suppliers	583.92	87.53	1,579.69	106.44
Prepaid Expenses	160.26	159.50	66.68	47.61
Balance With Govt. Department	2,125.04	2,223.61	1,469.90	1,366.15
Total	2,869.22	2,470.64	3,116.27	1,520.20

Equity And Liabilities

17: Equity Share Capital

(₹ in millions)

Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
Authorised				
25,000,000 Equity Shares Of ₹ 10 Each	250.00	250.00	250.00	250.00
Total	250.00	250.00	250.00	250.00
Issued, Subscribed And Fully Paid Up				
19,960,680 Equity Shares Of ₹ 10 Each	199.61	199.61	199.61	199.61
Total	199.61	199.61	199.61	199.61

(I) The Company has only one class of shares i.e. Equity Shares having a face value of ₹ 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(II) Shareholder holding more than 5% shares as at the Balance Sheet date 30 September 2021, 31 March 2021, 31 March 2020 and 31 March 2019 as below:

Name of Shareholder	Number of Shares held	% holding in that class of shares
List of Shareholders holding more than 5% shares		
Dr Rajendra Agarwal	30,84,360	15.45%
Banwarilal Bawri	30,22,080	15.14%
Girdharilal Bawri	22,35,360	11.20%
Ajay Agarwal	21,72,550	10.88%
Anju Agarwal	32,56,200	16.31%
Vijay Agarwal	20,83,610	10.43%
Prateek Banwarilal Bawri	25,18,400	12.61%

(III) The Company has not issued any bonus shares, shares for consideration other than cash or bought back any shares during five Years immediately preceding the reporting date. Also refer Note 61 for issue of Bonus Shares and sub-division.

18: Other Equity (₹ in millions)

Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
A. Other Equity				
(I) General Reserves	3,502.05	3,502.05	3,502.05	3,502.05
(II) Retained Earnings	99,045.63	92,719.97	72,514.04	56,838.61
(III) Other Comprehensive Income	(837.85)	(658.76)	(561.54)	(390.75)
(IV) Transferred on account of de-merger (Refer Note 61)	(57,802.35)	(57,802.35)	-	-
Total	43,907.48	37,760.91	75,454.55	59,949.91
B. Non Controlling Interest				
Opening Balance	(12.78)	12.21	(6.76)	(26.07)
Profit For The Period/Year	54.86	22.40	45.72	29.34
Other Comprehensive Income For The Period/Year	(17.78)	(47.39)	(26.75)	(10.03)
Total	24.30	(12.78)	12.21	(6.76)

19: Non Current Lease Liabilities (₹ in millions)

Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
Lease Liability	312.69	306.58	311.28	231.57
Total	312.69	306.58	311.28	231.57

20: Other Non - Current Financial Liabilities (₹ in millions)

Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
(Carried At Amortised Cost)				
Security Deposits	351.35	327.50	311.25	273.30
Other Payables	4.51	6.73	6.96	4.48
Total	355.86	334.23	318.21	277.78

(Note: Other Payables include Rental Deposits taken on Investment Properties given on lease)

21: Long Term Provision

(₹ in millions)

Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
Post Retirement - Gratuity (Refer Note 49)	1,778.43	1,520.13	1,250.15	990.62
Leave Encashment Benefits (Refer Note 49)	16.12	14.13	11.38	8.68
Total	1,794.55	1,534.26	1,261.53	999.30

22: Other Non Current Liabilities

(₹ in millions)

Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
Deferred Government Grant	95.65	102.18	115.19	128.18
Deferred Lease Income	0.33	0.30	0.12	-
Total	95.98	102.48	115.31	128.18

23: Short Term Borrowings

(₹ in millions)

Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
(Carried At Amortised Cost)				
From Bank (Secured) (Refer note below)	464.29	797.16	360.67	1,317.52
From Related Party (Unsecured) (Refer note 53)	0.01	0.01	0.01	1.03
Total	464.30	797.17	360.68	1,318.55

Carrying interest rate in range of 5.60 % to 7.50 %. Its secured by way of lien on fixed deposit kept with bank amounting to (September 30, 2021- ₹ 620.93 millions, March 31, 2021 - Nil, March 31, 2020 - ₹ 4,188.82 millions, March 31, 2019 - ₹ 2,030.32 millions)

24: Current Lease Liabilities

(₹ in millions)

Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
Lease Liability	41.44	47.09	80.44	-
Total	41.44	47.09	80.44	-

25: Trade Payables

(₹ in millions)

Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
(Carried At Amortised Cost)				
- Total Outstanding Dues to Micro and Small Enterprises	865.57	747.86	632.18	742.72
- Total Outstanding Dues to Other Than Micro And Small Enterprises	7,626.06	5,925.28	7,066.37	4,530.50
Total	8,491.63	6,673.14	7,698.55	5,273.22

(Refer Note 55 for fair value disclosure)

(Refer Note 52 for disclosures on Micro, Small and Medium Enterprises)

26: Other Current Financial Liabilities:(Carried At Amortised Cost)

(₹ in millions)

Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
Creditors for Capital Expenditure	266.88	239.12	348.88	120.86
Provision for Employee Benefits	2,763.13	1,855.49	1,372.29	1,294.82
Remuneration Payable	37.05	35.57	-	36.17
Sales Promotion Expenses Payable	10.08	6.04	2.75	8.10
Electricity Charges Payable	98.48	1.75	1.26	22.73
Failure To Supply Expenses Payable	13.64	11.38	652.94	171.10
Field Staff Expenses Payable	166.12	191.92	127.33	160.29
Freight On Export Payable	59.97	-	6.06	4.11
Other Payables	314.52	197.94	508.63	284.60
Total	3,729.87	2,539.21	3,020.14	2,102.78

(Note: Other Payables Include Commission and other Overseas Expenses Payable)

27: Other Current Liabilities

(₹ in millions)

Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
Payables To Statutory Authorities	678.60	528.13	437.31	362.37
Deferred Lease Income	0.01	0.03	0.23	-
Deferred Government Grant	13.01	13.01	12.99	18.63
Advances Received From Customers	417.08	435.40	447.68	402.52
Total	1,108.70	976.57	898.21	783.52

28: Short Term Provision

(₹ in millions)

Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
Post Retirement - Gratuity (Refer Note 49)	266.40	232.85	187.97	140.18
Provision For Legal Matter (Refer Note 48)	63.56	63.56	63.56	63.56
Leave Encashment Benefits (Refer Note 49)	1,122.61	952.80	435.63	350.10
Provision For Right of Returns (Refer table below)	2,563.89	2,468.60	2,241.59	1,922.15
Provision For Anticipated Claim on Pricing (Refer table below)	1,615.76	2,371.09	3,074.40	1,955.04
Total	5,632.22	6,088.90	6,003.15	4,431.03

28: Short Term Provision

(₹ in millions)

Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
Provision For Right of Returns				
Balance at the Beginning of the Period/Year	2,468.60	2,241.59	1,922.15	1,818.55
Add : Provisions made during the Period/Year	1,654.58	1,538.55	1,473.18	1,505.60
Less : Provisions reverse during the Period/Year	(1,559.29)	(1,311.54)	(1,153.74)	(1,402.00)
Balance at the end of the Period/Year	2,563.89	2,468.60	2,241.59	1,922.15
Provision For Anticipated Claim on Pricing				
Balance at the Beginning of the Period/Year	2,371.09	3,074.40	1,955.04	1,564.69
Add : Provisions made during the Period/Year	8,385.20	26,603.26	2,789.35	1,684.05
Less : Provisions reverse during the Period/Year	(9,140.53)	(27,306.57)	(1,669.99)	(1,293.70)
Balance at the end of the Period/Year	1,615.76	2,371.09	3,074.40	1,955.04

29: Revenue From Operations

(₹ in millions)

Particulars	For the six months ended 30 September, 2021	For the Year ended 31 March, 2021	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
(A) Sales of Products (Net)	39,879.60	70,002.59	67,093.76	56,843.61
(B) Sales of Services	159.22	529.31	353.18	338.06
(C) Other Operating Revenues				
(I) Duty Drawback And Other Export Incentives	346.65	778.70	976.39	979.63
(II) Others	416.08	683.56	604.83	543.05
Total Revenue From Operations	40,801.55	71,994.16	69,028.16	58,704.35

(Note: Others includes IGST refund Claim)

(Refer Note 47 For Detailed Disclosure on Ind AS 115)

30: Other Income

(₹ in millions)

Particulars	For the six months ended 30 September, 2021	For the Year ended 31 March, 2021	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Interest Income				
Bank Deposits	86.04	1,452.97	1,737.80	1,055.32
Employee Loan	0.28	0.49	0.67	0.60
Others	16.23	726.83	841.80	568.28
Total Interest Income	102.55	2,180.29	2,580.27	1,624.20
Dividend Income	0.02	65.71	45.84	32.90
Net Gain on Foreign Currency Transaction and Translation	(15.74)	630.16	872.25	277.07
Profit on Sale of Property, Plant and Equipment	-	0.18	-	-
Write Back of Expected Credit Loss (Net)	-	3.16	-	-
Realised Gain on Investment Carried At FVTPL (Net)	-	438.16	40.96	2,325.60
Unrealised Gain/Loss on Investment Carried At FVTPL (Net)	-	2,127.68	-	93.02
Miscellaneous Income (Refer Note below)	48.63	55.34	53.85	71.84
Total Other Income	135.46	5,500.68	3,593.17	4,424.63

(Note: Income below 1% of revenue from operations is aggregated in accordance with Schedule III to the Companies Act, 2013.)

31: Cost Of Materials Consumed

(₹ in millions)

Particulars	For the six months ended 30 September, 2021	For the Year ended 31 March, 2021	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Inventory at the Beginning of the Period/Year	6,289.55	4,612.17	3,986.26	3,022.49
Purchases During the Period/Year	11,254.99	17,463.95	16,941.81	16,324.82
Inventory at the End of the Period/Year	(6,050.58)	(6,289.55)	(4,612.17)	(3,986.26)
Total Cost Of Materials Consumed	11,493.96	15,786.57	16,315.90	15,361.05

32: Purchases Of Stock- In-Trade

(₹ in millions)

Particulars	For the six months ended 30 September, 2021	For the Year ended 31 March, 2021	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Purchases During the Period/Year	5,813.74	11,976.36	9,557.75	6,588.77
Total Purchases Of Stock- In-Trade	5,813.74	11,976.36	9,557.75	6,588.77

33: Changes In Inventories Of Finished Goods, Stock-In-Trade and Work-In-Progress

(₹ in millions)

Particulars	For the six months ended 30 September, 2021	For the Year ended 31 March, 2021	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Inventory at the Beginning of the Period/Year				
Work-In-Progress	1,261.03	969.45	796.62	655.08
Finished Goods	3,515.56	2,737.94	2,249.16	2,150.82
Stock-In-Trade	4,520.65	1,517.96	1,292.23	2,040.09
	9,297.24	5,225.35	4,338.01	4,845.99
Inventory at the End of the Period/Year				
Work-In-Progress	(1,478.07)	(1,261.03)	(969.45)	(796.62)
Finished Goods	(7,042.22)	(3,515.56)	(2,737.94)	(2,249.16)
Stock-In-Trade	(2,195.80)	(4,520.65)	(1,517.96)	(1,292.23)
	(10,716.09)	(9,297.24)	(5,225.35)	(4,338.01)
Total Changes In Inventories	(1,418.85)	(4,071.89)	(887.34)	507.98

34: Employee Benefits Expense

(₹ in millions)

Particulars	For the six months ended 30 September, 2021	For the Year ended 31 March, 2021	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Salaries, Wages and Bonus	7,219.86	10,988.17	10,266.97	8,789.99
Contribution To Provident and Other Funds (Refer Note 49)	233.47	431.35	387.67	326.25
Gratuity and Compensated Absences (Refer Note 49)	406.08	860.33	390.74	342.88
Staff Welfare Expenses	271.67	546.49	544.31	433.45
Total Employee Benefit Expenses	8,131.08	12,826.34	11,589.69	9,892.57

35: Finance Costs

(₹ in millions)

Particulars	For the six months ended 30 September, 2021	For the Year ended 31 March, 2021	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Interest Expenses :				
Working Capital Loans	8.13	12.66	31.73	22.91
Others	8.47	18.58	19.87	18.17
	16.60	31.24	51.60	41.08
Interest Expenses on Lease Liabilities	15.04	31.41	26.00	15.33
Interest Expenses on Lease Deposits Taken	-	0.37	-	-
Total Finance Costs	31.64	63.02	77.60	56.41

36: Depreciation And Amortization Expense

(₹ in millions)

Particulars	For the six months ended 30 September, 2021	For the Year ended 31 March, 2021	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Depreciation Expense on Property, Plant and Equipment (Refer Note 2A)	738.47	1,226.21	1,203.53	1,144.84
Amortization Expense on Intangible Assets (Refer Note 2B)	7.38	19.06	22.27	34.22
Depreciation Expense on Investment Properties (Refer Note 2E)	2.44	4.89	4.90	1.70
Depreciation Expense on Right To Use Assets (Refer Note 2F)	49.94	93.84	73.51	48.60
Total Depreciation And Amortization Expense	798.23	1,344.00	1,304.21	1,229.36

37: Other Expenses

(₹ in millions)

Particulars	For the six months ended 30 September, 2021	For the Year ended 31 March, 2021	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Brokerages and Commissions on Sales	356.81	221.64	713.11	548.34
Branch Expenses	64.44	50.15	40.15	24.87
Consumption of Stores and Spare Parts	379.47	785.07	652.23	564.26
Communication Expenses	140.47	297.43	351.73	285.52
Donations	14.95	12.63	13.98	12.20
Delayed Supply Charges	115.50	188.57	115.01	41.93
Corporate Social Responsibility (CSR) Expenditure (Refer Note 51)	170.86	324.74	311.85	265.43
Expected Credit Loss (Net)	17.50	-	11.83	11.79
Unrealised Loss on Investment Carried At FVTPL (Net)	-	-	855.41	1,367.18
Freight and Forwarding	752.51	1,670.27	1,219.74	950.95
Failure to Supply Expenses	124.12	324.48	511.02	308.83
Job Work/Processing Charges	573.07	930.28	860.30	913.54
Legal and Professional Fees	2,112.03	2,403.69	960.16	319.51
Payment to Auditors (Refer Note 38)	11.40	6.53	6.51	4.26
Loss on Sale of Property, Plant and Equipment (Net)	0.46	-	5.70	0.13
Insurance	157.16	226.63	139.50	114.35
Market Research & Development Expenses	14.65	34.36	39.03	760.01
Miscellaneous Expenses (Refer Note below)	727.92	1,414.85	1,093.05	1,173.81
Registration Charges	278.93	400.82	451.99	626.75
Stall & Camp Expenses	88.54	167.75	286.88	203.58
Warehousing Expenses	91.93	153.53	169.19	138.75
Power, Fuel and Water	935.33	1,509.81	1,350.21	1,217.63
Rates and Taxes	111.23	227.44	315.77	166.36
Rent	11.56	23.56	33.27	41.63
Repairs and Maintenance	458.45	783.53	763.84	680.59
Sales Promotion Expenses	1,031.70	1,750.03	3,830.56	2,546.83
Travelling, Lodging and Boarding Expenses	341.76	602.39	963.52	1,025.00
Total Other Expenses	9,082.75	14,510.18	16,065.54	14,314.03

(Note: Expense below 1% of revenue from operations is aggregated in accordance with Schedule III to the Companies Act, 2013.)

38: Payment to Auditors

(₹ in millions)

Particulars	For the six months ended 30 September, 2021	For the Year ended 31 March, 2021	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
(a) audit fees	11.40	5.54	5.63	3.86
(b) for taxation matters		0.60	0.53	0.40
(c) for company law matters				
(d) for Certification		0.39	0.35	
(e) for reimbursement of expenses				
Total Payment to Auditors	11.40	6.53	6.51	4.26

MACLEODS PHARMACEUTICALS LIMITED**NOTES TO THE RESTATED CONSOLIDATED FINANCIAL INFORMATION****NOTE 39: INVESTMENT PROPERTIES**

(₹ in millions)

Particulars	For the six months ended 30 September, 2021	For the year ended 31 March, 2021	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Rental Income	5.72	11.25	8.85	5.55
Direct Expenses	0.90	1.72	2.53	1.42
Net Income from Investment Properties before Depreciation	4.82	9.53	6.32	4.13
Depreciation	2.44	4.89	4.90	1.70
Net Income from Investment Properties	2.38	4.64	1.42	2.43

Rental Income recognised in Statement of Profit and Loss for Investment Properties aggregates to ₹ 5.72 millions (31 March, 2021: ₹ 11.25 millions; 31 March, 2020: ₹ 8.85 millions; 31 March, 2019: ₹ 5.55 millions)

Fair Value

Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
Investment Properties	438.34	386.70	401.00	215.70

Estimation of Fair Value

The fair valuation of the assets is based on the perception about the macro and micro economic factors presently governing the construction industry, location of property, existing market conditions, degree of development of infrastructure in the area, demand supply conditions, internal amenities, common amenities, etc.

The Fair Valuation of Investment Property is made with the help of Independent Valuer as at 30 September, 2021. The fair value measurement is categorised in level 3 fair value hierarchy. The Fair Valuation of Investment Property as at 31 March, 2021 is estimated on the basis of Resale Value available on various Real Estate Websites.

MACLEODS PHARMACEUTICALS LIMITED**NOTES TO THE RESTATED CONSOLIDATED FINANCIAL INFORMATION****NOTE 40: RESEARCH AND DEVELOPMENT EXPENDITURE**

(₹ in millions)

Particulars	For the six months ended 30 September, 2021	For the year ended 31 March, 2021	For the year ended 31 March, 2020	For the year ended 31 March, 2019
<u>The amount of expenditure as shown in the respective heads of account is as under:</u>				
<u>R & D Capital Expenditure (Gross)</u>				
Land & Buildings	86.89	20.38	820.72	85.32
Plant & Machineries	4.73	14.42	7.30	13.15
Laboratory Equipments	134.48	29.59	226.03	59.22
Furniture & Fixtures	9.50	22.42	18.85	23.65
Office Equipments	5.43	3.95	5.10	3.64
Computers	1.92	2.84	3.64	2.88
Electrical Installations	1.36	-	-	-
Intangibles Including Software	2.41	7.50	2.64	8.38
Capital Work-in-Progress	(1.61)	100.09	29.31	(66.28)
Right-Of-Use Assets	-	-	68.13	-
R&D Capital Expenditure (Gross)	245.11	201.19	1,181.72	129.96
Less: Realisation on Sale of R&D Assets	-	(0.01)	-	(1.30)
R & D Capital Expenditure (Net)	245.11	201.18	1,181.72	128.66
<u>R & D Revenue Expenditure charged to the Statement of Profit and Loss</u>				
Materials Consumed	161.63	276.13	158.21	159.51
Employee benefits expenses	1,012.30	1,654.65	1,458.14	1,246.05
Professional fees	(0.31)	3.60	27.20	24.63
Consumables	152.97	263.92	249.26	250.30
Interest	2.35	5.00	5.34	0.02
Travelling expenses	4.17	2.88	8.50	12.66
Rent	-	-	0.15	-
Depreciation	87.65	157.12	141.30	128.29
Other Expenses	454.09	741.03	809.12	908.44
	1,874.85	3,104.33	2,857.22	2,729.90
Less: Income	(3.66)	(16.93)	(6.34)	(7.90)
R & D Revenue Expenditure (Net)	1,871.19	3,087.40	2,850.88	2,722.00
Total R & D Expenditure	302,116.30	3,288.58	4,032.60	2,850.66

NOTE 40: RESEARCH AND DEVELOPMENT EXPENDITURE

(₹ in millions)

Particulars	For the six months ended 30 September, 2021	For the year ended 31 March, 2021	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Amount eligible for Weighted Deduction under Section 35(2AB) of Income Tax Act, 1961				
R & D Capital Expenditure (Gross)	159.23	101.10	263.57	110.93
R & D Revenue Expenditure	1,781.97	2,937.27	2,710.00	2,597.31
	1,941.20	3,038.37	2,973.57	2,708.24
Less: Realisation on Sale of R & D Assets	-	(0.01)	-	(1.30)
Total Eligible R & D Expenditure	1,941.20	3,038.36	2,973.57	2,706.94
Revenue from Operations	40,801.55	71,994.16	69,028.16	58,704.35
Total R & D Expenditure/Revenue	5.19%	4.57%	5.84%	4.86%
Total Eligible R & D Expenditure/Revenue	4.76%	4.22%	4.31%	4.61%

* Pursuant to provisions of section 35(2AB) of the Income Tax Act, 1961, the weighted deduction on R&D has been restricted to 100% from the assessment year 2021-22. Hence, the Group has considered deduction to the extent of 100% on R&D expenses while computing current tax provision.

NOTE 41: SEGMENT REPORTING

a) Business Segment :

The Chief Operating Decision Maker (CODM) reviews the financial performance at pharmaceutical business level, comprising of generics, branded, formulations and active pharmaceutical ingredients, which are inter-linked and inter-dependent, therefore, the Group has only one reportable segment i.e Pharmaceuticals.

b) Geographical Information :

Geographical segment disclosures given below are based on location of the Group's customers in case of revenue. The disclosure of carrying amount of segment assets are based on geographical location of segment assets.

1. India
2. Rest of the world

Information about revenues by geography:				(₹ in millions)
Particulars	For the six months ended 30 September, 2021	For the year ended 31 March, 2021	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Segment Revenue				
1. India	26,082.53	37,245.16	39,281.75	35,168.28
2. Rest of the world	14,719.02	34,749.00	29,746.41	23,536.07
Total	40,801.55	71,994.16	69,028.16	58,704.35

Analysis of assets by geography

Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
1. India	20,349.07	19,305.36	34,823.91	13,814.57
2. Rest of the world	114.93	96.02	93.31	49.97
Total	20,464.00	19,401.38	34,917.22	13,864.54

Non-current assets for this purpose consist of property, plant and equipments, intangibles and goodwill on consolidation and Other Non-Current Assets.

c) The Group did not have any external revenue from a particular customer which exceeded 10% of total revenue during the Period/Year.

NOTE 42: TRADE RECEIVABLES AGEING SCHEDULE

(₹ in millions)

The ageing Schedule for Trade Receivables as at 30 September, 2021 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	7,728.99	2,030.16	350.96	244.91	181.40	-	10,536.42
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	10.41	102.75	113.16
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	1.66	-	2.42	2.39	17.20	23.67
Total	7,728.99	2,031.82	350.96	247.33	194.20	119.95	10,673.25

The ageing Schedule for Trade Receivables as at 31 March, 2021 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	6,727.99	2,004.05	1,007.13	377.67	71.40	31.49	10,219.73
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	97.33	97.33
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	4.81	-	17.20	22.01
Total	6,727.99	2,004.05	1,007.13	382.48	71.40	146.02	10,339.07

NOTE 42: TRADE RECEIVABLES AGEING SCHEDULE

(₹ in millions)

The ageing Schedule for Trade Receivables as at 31 March, 2020 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	8,420.30	311.62	3,153.18	420.86	327.57	4.13	12,637.66
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	100.49	100.49
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	2.42	-	2.39	-	17.20	22.01
Total	8,420.30	314.04	3,153.18	423.25	327.57	121.82	12,760.16

The ageing Schedule for Trade Receivables as at 31 March, 2019 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	3,159.37	3,906.36	2,057.48	672.30	170.49	25.34	9,991.34
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	91.08	91.08
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	2.39	-	-	-	17.20	19.59
Total	3,159.37	3,908.75	2,057.48	672.30	170.49	133.62	10,102.01

The above ageing is provided pre-ECL adjustment

NOTE 43: TRADE PAYABLES AGEING SCHEDULE

(₹ in millions)

The ageing Schedule for Trade Payables as at 30 September, 2021 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	864.93	-	-	-	864.93
(ii) Others	3,151.72	4,410.35	27.87	7.07	28.95	7,625.96
(iii) Disputed Dues - MSME	-	-	0.05	0.29	0.40	0.74
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	3,151.72	5,275.28	27.92	7.36	29.35	8,491.63

The ageing Schedule for Trade Payables as at 31 March, 2021 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	3,214.10	2,667.58	11.80	8.48	23.32	5,925.28
(iii) Disputed Dues - MSME	-	747.86	-	-	-	747.86
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	3,214.10	3,415.44	11.80	8.48	23.32	6,673.14

The ageing Schedule for Trade Payables as at 31 March, 2020 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	2,263.22	1,313.12	49.21	117.10	3,323.72	7,066.37
(iii) Disputed Dues - MSME	-	195.21	0.68	0.83	435.46	632.18
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	2,263.22	1,508.33	49.89	117.93	3,759.18	7,698.55

The ageing Schedule for Trade Payables as at 31 March, 2019 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	1,602.48	251.13	111.77	39.78	2,525.34	4,530.50
(iii) Disputed Dues - MSME	-	298.69	5.75	1.27	437.01	742.72
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	1,602.48	549.82	117.52	41.05	2,962.35	5,273.22

NOTE 44: CWIP AGEING SCHEDULE

The ageing schedule for CWIP is as below:

(₹ in millions)

Projects in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 30 September, 2021	97.98	704.19	348.87	1,645.03	2,796.07
As at 31 March, 2021	52.68	591.41	84.09	1,799.36	2,527.54
As at 31 March, 2020	36.37	212.67	723.00	1,134.03	2,106.07
As at 31 March, 2019	16.44	4.19	275.33	207.83	503.79
Projects temporarily suspended	-	-	-	-	-

Various Projects for expansion or new facilities in manufacturing and R&D are in progress as at 30 September and 31 March. There are no projects which are temporarily suspended as at 30 September, 2021; 31 March, 2021; 31 March, 2020 and 31 March, 2019. Also, there are no other projects in progress whose completion is overdue or has exceeded its cost compared to its original plan.

NOTE 45: INTANGIBLE ASSETS UNDER DEVELOPMENT AGEING SCHEDULE

The ageing schedule for Intangible Assets under Development as on 30 September, 2021 is as below: (₹ in millions)

Intangible assets under development	Outstanding for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	14.89	-	-	-	14.89
Projects temporarily suspended	-	-	-	-	-

The Intangible Assets under Development includes the technical know how for production of "RIFAMPICIN" Product whose development is under process.

There is no other Intangible Asset under Development for previous years ended 31 March, 2021; 31 March, 2020 and 31 March 2019. Also there are no other Intangible Assets under Development whose completion is overdue or has exceeded its cost compared to its original plan.

NOTE 46: RATIOS

Following are the ratios computed for the period/year:

Ratios	Unit	Basis (Restated Numbers)	For the six months ended 30 September, 2021	For the Year ended 31 March, 2021	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Current Ratio	Times	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.91	1.79	2.45	3.42
Debt-Equity Ratio	Times	$\frac{\text{Total Debt*}}{\text{Total Shareholders Equity}}$	0.01	0.02	0.00	0.02
Debt Service Coverage Ratio**	Times	$\frac{\text{EBITDA}}{(\text{Interest} + \text{Principal})}$	31.05	24.37	37.39	8.76
Return on Equity Ratio	Percentage	$\frac{\text{Profit After Tax}}{\text{Average of last two years tangible net worth}}$	31.14%	35.66%	23.18%	26.77%
Inventory Turnover Ratio***	Times	$\frac{\text{Cost of Goods Sold}}{\text{Avg. Inventory}}$	1.96	1.86	2.74	2.76
Trade Receivables turnover ratio	Times	$\frac{\text{Credit Sales of Products and Services}}{\text{Average Trade Receivables}}$	7.41	5.91	5.75	6.16
Trade Payables turnover ratio	Times	$\frac{\text{Credit Purchases}}{\text{Average Trade Payables}}$	6.69	5.93	6.20	5.84
Net Capital turnover ratio	Times	$\frac{\text{Revenue from Operations}}{\text{Total Equity}}$	1.85	1.90	0.91	0.98
Net profit ratio	Percentage	$\frac{\text{Net Profit After Tax}}{\text{Total Income}}$	15.59%	26.10%	21.65%	22.55%
Return on Capital Employed	Percentage	$\frac{\text{Earnings before Interest and Tax}}{\text{Capital Employed}}$	40.91%	65.98%	61.80%	52.00%
Return on investment	Percentage	$\frac{\text{Net Profit After Tax}}{\text{Cost of Investment}}$	29.48%	54.25%	20.93%	23.82%

* Total Debt = Non-Current Borrowings + Current Borrowings

** EBITDA = Restated Net Profit Before Tax + Depreciation and Amortisation + Interest - Other Income; Interest - Principal - Interest - Current Borrowings

*** Cost of Goods Sold = Cost of Materials Consumed + Purchases of Stock-in-Trade + Changes in Inventories; Average Inventory = (Opening Inventory + Closing Inventory)/2

Credit Sales of Products and Services = Sale of Products and Services - (% of Advances to Trade Receivables * Sale of Products and Services); Average Trade Receivables = (Opening Trade Receivables + Closing Trade Receivables)/2

Credit Purchases = Purchase of Raw Materials on credit included in Cost of Materials Consumed + Purchase of Stock-in-Trade + Other Purchases; Average Trade Payables = (Opening Trade Payables + Closing Trade Payables)/2

Tangible Net Worth = Total Equity less Goodwill, Intangible Assets and Intangible Assets under Development at the end of the relevant period

EBIT = Restated Net Profit before Tax + Finance Cost - Other Income; Capital Employed = Average of (Property Plant and Equipment + Investment Properties + Right-of-use Assets + Goodwill + Other Intangibles + Inventories + Trade Receivables - Trade Payables)

Cost of Investment = Total Equity - Other Comprehensive Income

NOTE 46: RATIOS

Reasons for more than 25% increase/(decrease):

- 1) Current Ratio: There is more than 25% reduction in Current Ratio from March, 2019 to March, 2020 primarily due to Increase in Trade Payables on account of Covid Pandemic. Also, more than 25% reduction from March, 2020 to March, 2021 is on account of application of Demerger impact w.e.f. 01.01.2021 in financials pursuant to Demerger Order on Investment Division.
- 2) Debt Service Coverage Ratio: There is more than 25% increase from March, 2021 to September, 2021 mainly due to reduction in Interest and Principal as company availed lesser cash credit and bank overdraft facilities. Also there is more than 25% reduction from March, 2020 to March, 2021 mainly due to increase in Interest and Principal as company has availed more cash credit and bank overdraft facilities. Also there is more than 25% increase from March, 2019 to March, 2020 on account of high operating income of Company against low debts.
- 3) Return on Equity Ratio: There is more than 25% increase in Equity from March, 2020 to March, 2021 on account of Demerger impact w.e.f 01.01.2021 in financials pursuant to Demerger Order on Investment Division. Hence, there is an increase in the Return on Equity Ratio.
- 4) Trade Receivables Turnover Ratio: There is a increase in Trade Receivables Turnover Ratio from March, 2020 to March, 2021 due to Pandemic Impact. However, the ratio has improved in September, 2021.
- 5) Inventory Turnover Ratio: There is more than 25% reduction in Inventory Turnover Ratio from March, 2020 to March, 2021 in anticipation of sales including sale of Covid Portfolio.
- 6) Net Capital Turnover Ratio: There is more than 25% decrease in Equity from March, 2020 to March, 2021 on account of application of Demerger impact w.e.f 01.01.2021 in financials pursuant to Demerger Order on Investment Division.
- 7) Net Profit Ratio: There is more than 25% reduction from March, 2021 to Sept, 2021 on account of application of Demerger impact w.e.f 01.01.2021 in financials pursuant to Demerger Order on Investment Division and decrease in Operating Profit.
- 8) Return on Capital Employed: There is more than 25% reduction from March, 2021 to Sept, 2021 on account of reduction in operating EBIT due to application of Demerger impact w.e.f 01.01.2021 in financials pursuant to Demerger Order on Investment Division and decrease in Operating Profit.
- 9) Return on Investment: There is more than 25% increase in Equity from March, 2020 to March, 2021 hence the ratio has increased and reduction between March, 2021 to Sept, 2021 on account of application of Demerger impact w.e.f 01.01.2021 in financials pursuant to Demerger Order on Investment Division and decrease in Operating Profit.
- 10) The Ratios for September, 2021 have been annualised for comparison.

NOTE 47: Ind AS 115 Disclosures

(₹ in millions)

(i) Disaggregation of revenue

The group's revenue disaggregated by business unit is as follows:

Particulars	For the six months ended 30 September, 2021	For the year ended 31 March, 2021	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Sale of products				
India				
Branded and trade generics	25,219.69	36,249.91	38,427.38	34,448.38
Others	446.76	311.69	249.53	176.86
	25,666.45	36,561.60	38,676.91	34,625.24
Export Sales	14,213.15	33,440.99	28,416.85	22,218.37
Total	39,879.60	70,002.59	67,093.76	56,843.61

(ii) Reconciliation of revenue from sale of products and services with the contracted price

Particulars	For the six months ended 30 September, 2021	For the year ended 31 March, 2021	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Contracted Price	40,589.29	71,375.82	68,228.52	57,937.09
Less: Trade discounts, sales and expiry return	(550.47)	(843.92)	(781.58)	(755.42)
Sale of products and services	40,038.82	70,531.90	67,446.94	57,181.67

(iii) Contract assets

The Group recognises an asset, i.e right to the returned saleable goods (included in inventories) for the products expected to be returned in saleable condition. 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 returned goods. The Group updates the measurement of the asset recorded for any revision to its expected level of returns, as well as any additional decrease in value of the returned products.

As on 30th September, 2021, the Group has Rs. 10,536.42/- millions (31st March, 2021: Rs. 10,219.73/- millions; 31st March, 2020: Rs. 12,637.66/- millions; 31st March, 2019: Rs. 9,991.34/- millions) as contract asset.

NOTE 47: Ind AS 115 Disclosures

(₹ in millions)

(iv) Contract liabilities

The Group records a contract liability when cash payments are received or due in advance of its performance.

Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
Advance from customers	417.08	435.40	447.68	402.52

There is no Deferred Revenue recognised during the period/year.

(v) Information about major customers

No single external customer represents 10% or more of the Group's total revenue for the period and years ended 30th September, 2021; 31st March, 2021; 31st March, 2020 and 31st March, 2019.

NOTE 48: CONTINGENT LIABILITIES, COMMITMENTS AND OTHER LITIGATIONS

(₹ in millions)

Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
<u>Contingent Liabilities</u>				
TDS Demand	2.83	2.68	2.88	4.78
Income Tax Demand on account of disallowance/additions	1,895.49	1,796.36	2,187.28	1,461.71
Claims against the Group not acknowledged as debt (Refer Note iii)	1,125.47	1,076.44	978.67	879.30
Sales Tax on account of demand raised for replacement of goods	15.45	16.34	16.34	16.34
<u>Excise & Service Tax Demand on account of reversal of input credit</u>				
Duty	166.90	166.90	166.90	236.45
Penalty	192.42	189.16	164.39	226.90
	359.32	356.06	331.29	463.35
Customs Duty Demand	43.51	43.51	43.51	14.21
<u>Commitments</u>				
Estimated amount of contracts unexecuted on capital account	924.41	552.84	202.97	200.00
Total	4,366.48	3,844.23	3,762.94	3,039.69

Note:

i) It is not practicable to estimate the timing of cash outflow, if any, in respect of our pending resolution of the respective proceedings as it is determined only on receipt of judgements/ decisions pending with various authorities.

ii) The Group's pending litigations comprise of proceedings pending with various direct tax, indirect tax and other authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable as part of Restated Consolidated Financial Information.

NOTE 48: CONTINGENT LIABILITIES, COMMITMENTS AND OTHER LITIGATIONS

The Company is involved in lawsuits, claims, governmental and/or regulatory inspections, inquiries, investigations and proceedings, including patent and commercial matters that arise from time to time in ordinary course of business. The more significant matters are discussed below:

iii) Matter relating to National Pharmaceutical Pricing Authority (NPPA)

The Holding Company has received various notices of demand from the National Pharmaceutical Pricing Authority (NPPA), Government of India, on account of alleged overcharging in respect of Doxofylline under the Drugs (Prices Control) Order, 1995 ("DPCO, 1995"). The total demand (excluding interest) against the Holding Company as stated in NPPA public disclosure amounts to ₹ 651.84/- millions for the period May 2009 to September 30, 2015. The Holding Company has made a provision amounting to ₹ 63.56/- millions towards the total demand basis its best estimate and evaluation.

iv) Other Matter relating to Drugs Controller General of India (DCGI)

In 2018, the sub-committee constituted by the Drugs Technical Advisory Board (DTAB) under the order of the Hon'ble Supreme Court of India has submitted its report to the Drugs Controller General of India (DCGI) and had banned a few of the Group's products. The Holding Company has filed a writ petition to challenge the ban notifications. However, there is no monetary claim but the writ petition has been filed to quash the notification issued by Drugs Controller General of India (DCGI).

v) Matter relating to Products license

In 2015, Drug Inspector Kerala had filed complaint under section 32 of Drugs and Cosmetics Act, 1940 for selling and distributing Farbion Multivitamin Capsules without valid drug license. The Group has filed Writ Petition before Kerala High Court in order to quash the Complaint.

vi) Other Matter relating to Products license

In 2017, State of Maharashtra has initiated prosecution against the Group on the grounds that Drug Entroflora was reported by Government Analyst, Maharashtra as sub standard. The summons are yet to be served hence, proceedings haven't commenced.

vii) There has been a Supreme Court (SC) judgement dated 28th February, 2019 relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the Employees' Provident Fund Act. In view of the interpretative aspects related to the Judgement including the effective date of application, the Group has been advised to await further developments in this matter. The Group will continue to assess any further developments in this matter for the implications on financial statements, if any.

viii) The Parliament has approved the Code on Wages in 2019 and finalised the rules. However, the Labour Ministry held back its implementation in order to enforce all four codes in one go. The Labour Ministry had earlier envisaged implementation of the four labour codes from April 1 2021. The Central Government has been holding regular meetings with the states to assess the progress of the rule-framing process of the four labour codes, which will mark the amalgamation of 44 Central labour laws into four broad codes on wages, industrial relations, social security, and safety and working conditions. In view of the interpretative aspects related to the four labour codes including the effective date of application, the Group has been advised to await further developments in this matter. The Group will continue to assess any further developments in this matter for the implications on financial statements, if any.

ix) Matter relating to Multi-District Sartan Litigation:

A class action suit was filed against various pharmaceutical companies including our Company and Macleods Pharma USA Inc., before the United States District Court, District of New Jersey for allegedly designing, manufacturing, marketing, distributing, packaging and selling adulterated, misbranded, unapproved and unregulated losartan containing drugs ("LCDs") containing dangerous levels of nitrosamines, as a result of which, the plaintiffs were diagnosed with cancer causing permanent and disabling injuries and/or death. Accordingly, it was alleged that among others, our Company and Macleods Pharma USA Inc. were liable under common law principles, including strict liability, negligence and breach of warranty. The matter is currently pending and the amount of liability, if any can't be ascertained at the moment. The group will continue to assess any further developments in this matter for the implications on financial statements, if any

NOTE 49: EMPLOYEE BENEFITS

(₹ in millions)

A. Brief Description of the Plans**Defined Contribution Plans:**

The Group's defined contribution plans are Employees' Pension Scheme, Employees' Provident Fund (under the provisions of Employees' Provident Funds and Miscellaneous Provisions Act, 1952) and Employees State Insurance, since the Group has no further obligations beyond making the contributions.

Defined Benefit and other Long term Benefit Plans:

i. The Group has one scheme for long term benefits namely, Gratuity:

a) The Group provides for Gratuity, a defined Benefit plan, based on actuarial valuation as of the Balance Sheet date, based upon which, the Group contributes all the ascertained liabilities to the Insurer Managed Funds.

ii. The employees of the Group are also entitled to leave encashment. The provision is made based on actuarial valuation for leave encashment at the period/year end.

B. Charge to the Statement of Profit and Loss**i. Based on Contribution**

Particulars	For the six months ended 30 September, 2021	For the year ended 31 March, 2021	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Provident Fund and Employee's Pension Scheme	221.90	406.39	358.74	281.76
Employees State Insurance	11.57	24.96	28.93	44.49
Total	233.47	431.35	387.67	326.25

ii. Leave Encashment Expenses	208.01	590.15	161.39	146.87

NOTE 49: EMPLOYEE BENEFITS

(₹ in millions)

iii. Disclosures for Defined Benefit Plans based on actuarial reports.

Particulars	Six months ended 30 September, 2021	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2019
i. Change in defined benefit obligation				
Opening defined benefit obligation	1,785.14	1,470.65	1,163.40	947.67
Interest Cost	50.82	85.70	77.02	65.04
Current Service Cost	112.89	186.51	154.59	130.64
Remeasurement benefits	128.74	74.18	112.20	57.79
Actual Benefits Paid	(31.61)	(31.90)	(36.56)	(37.74)
Liability at the end of the period/year	2,045.98	1,785.14	1,470.65	1,163.40
ii. Change in Fair Value of Assets				
Opening Fair Value of Plan Assets	32.16	32.53	32.60	29.21
Expected Return on Plan Assets	0.99	2.06	2.33	2.18
Return on Plan Assets (excluding Interest)	(0.39)	(0.55)	(0.87)	(1.07)
Contributions by Employer	-	30.02	35.03	40.02
Benefits paid	(31.61)	(31.90)	(36.56)	(37.74)
Closing Fair Value of Plan Assets	1.15	32.16	32.53	32.60
iii. Amount recognised in Balance Sheet				
Present Value of Obligations as at period/year end	2,045.98	1,785.14	1,470.65	1,163.40
Fair value of plan assets as at period/year end	(1.15)	(32.16)	(32.53)	(32.60)
Net (Asset)/Liability recognised	2,044.83	1,752.98	1,438.12	1,130.80

NOTE 49: EMPLOYEE BENEFITS

(₹ in millions)

Particulars	For the six months ended 30 September, 2021	For the year ended 31 March, 2021	For the year ended 31 March, 2020	For the year ended 31 March, 2019
iv. Expenses recognised in Statement of Profit and Loss				
Current Service Cost	112.89	186.51	154.59	130.64
Interest Cost	50.82	85.71	77.01	65.04
Expected Return on Plan Assets	(0.99)	(2.05)	(2.33)	(2.18)
Gratuity paid from Company's own funds	35.35	0.01	0.08	2.51
Total expense recognised in Statement of Profit and Loss	198.07	270.18	229.35	196.01
v. Expenses recognised in Other Comprehensive Income (OCI)				
Actuarial Changes arising from Change in Financial Assumptions	18.61	15.95	71.94	20.01
Actuarial Changes arising from Change in Demographic Assumptions	-	-	0.25	-
Actuarial Changes arising from Change in Experience Adjustments	110.13	58.22	40.02	37.78
Return on Plan Assets (excluding Interest)	0.39	0.55	0.87	1.07
Net (Income)/Expense for the period recognised in OCI	129.13	74.72	113.08	58.86
vi. Actual Return on Plan Assets				
Expected Return on Plan Assets	0.99	2.05	2.33	2.18
Actuarial Gain/(Loss) on Plan Assets	(0.39)	(0.55)	(0.87)	(1.07)
Actual Return on Plan Assets	0.60	1.50	1.46	1.11
vii. Asset information				
Insurer managed funds	100%	100%	100%	100%
viii. Expected Employer's Contribution for the next year	267.55	265.00	220.50	172.78

MACLEODS PHARMACEUTICALS LIMITED**NOTES TO THE RESTATED CONSOLIDATED FINANCIAL INFORMATION****NOTE 49: EMPLOYEE BENEFITS**

(₹ in millions)

ix. Key Actuarial Assumptions used**Financial Assumptions**

Discount Rate (p.a.)	6.00%	6.15%	6.30%	7.15%
Expected Rate of Return on Plan Assets	6.00%	6.15%	6.30%	7.15%
Expected rate of future salary increase	10%	10%	10%	10%

Demographic Assumptions**Mortality Table**

	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Withdrawal Rate	15.00%	15.00%	15.00%	15.00%
Retirement Age	58 years	58 years	58 years	58 years

Timing Related Assumptions

Time of Retirement	Immediately on achieving normal retirement
Salary Increase frequency	Once a year

The actuarial calculations used to estimate commitments and expenses in respect of gratuity are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expense.

(iii) Sensitivity Analysis

The sensitivity analysis below has been determined based on reasonable possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant:

Particulars

	30 September, 2021	
Discount rate	Increase by 0.50%	Decrease by 0.50%
Impact of increase/(decrease) on Defined Benefit Obligation	1,985.16	(2,110.36)
Salary growth rate	Increase by 0.50%	Decrease by 0.50%
Impact of (increase)/decrease on Defined Benefit Obligation	(2,107.66)	1,987.05

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

NOTE 50: INCOME TAXES

(₹ in millions)

(A) The major components of income tax expense for the Period /Year ended are :

Particulars	For the six months ended 30 September, 2021	For the year ended 31 March, 2021	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Current Income tax Charge	1,324.14	5,074.86	3,514.06	3,312.85
MAT credit (entitlement)/utilisation	(741.34)	170.98	(343.28)	(1,627.78)
Deferred tax on account of temporary differences	48.74	(413.06)	(293.95)	(740.85)
Total	631.54	4,832.78	2,876.83	944.22

(B) Reconciliation of tax expense and the profit before tax

Particulars	For the six months ended 30 September, 2021	For the year ended 31 March, 2021	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Tax expense as per statutory tax rate of respective jurisdiction	2,649.19	9,402.51	7,172.97	5,421.23
Effect For:				
Income exempt from tax	(2,280.54)	(3,933.08)	(3,922.93)	(3,329.56)
Weighted deductions and exemptions	(28.18)	(618.99)	(564.20)	(487.50)
Non-deductible expenses for tax purpose	227.15	411.42	256.51	203.61
Differential tax rate impact	-	(514.09)	(564.16)	(1,127.96)
Deferred tax not created due to virtual uncertainty	14.11	298.55	0.73	-
Mat Credit Utilisation	-	170.98	-	-
Interest on Tax	-	41.54	17.91	-
Others	49.81	(426.06)	480.00	264.40
Income tax expense reported in the profit or loss	631.54	4,832.78	2,876.83	944.22

NOTE 50: INCOME TAXES

(₹ in millions)

(C) Movement of deferred tax (assets)/liabilities are as below:

Particulars	As at 1 April 2021	(Credit)/Charge Recognised in Statement of Profit and Loss	Recognised in OCI	As at 30 September 2021
Property, plant and equipment, and intangible assets	1,105.57	26.61	-	1,132.18
Employee benefits expense	(945.51)	(116.20)	(45.12)	(1,106.83)
Others	(923.00)	138.33	-	(784.67)
Deferred tax (assets)/liabilities (net) during the period/year ended	(762.94)	48.74	(45.12)	(759.32)

Particulars	As at 1 April 2020	(Credit)/Charge Recognised in Statement of Profit and Loss	Recognised in OCI	As at 31 March 2021
Property, plant and equipment, and intangible assets	924.55	181.03	-	1,105.58
Employee benefits expense	(654.77)	(264.60)	(26.11)	(945.51)
Fair valuation of investments	(243.71)	243.71	-	-
Others	(349.78)	(573.20)	-	(923.00)
Deferred tax (assets)/liabilities (net) during the period/year ended	(323.71)	(413.06)	(26.11)	(762.93)

Particulars	As at 1 April 2019	(Credit)/Charge Recognised in Statement of Profit and Loss	Recognised in OCI	As at 31 March 2020
Property, plant and equipment, and intangible assets	798.64	125.91	-	924.55
Employee benefits expense	(517.48)	(97.77)	(39.52)	(654.77)
Fair valuation of investments	55.06	(298.77)	-	(243.71)
Others	(326.43)	(23.35)	-	(349.78)
Deferred tax (assets)/liabilities (net) during the period/year ended	9.79	(293.98)	(39.52)	(323.71)

NOTE 50: INCOME TAXES

(₹ in millions)

(C) Movement of deferred tax (assets)/liabilities are as below:

Particulars	As at 1 April 2018	(Credit)/Charge Recognised in Statement of Profit and Loss	Recognised in OCI	As at 31 March 2019
Property, plant and equipment, and intangible assets	745.92	52.72	-	798.64
Employee benefits expense	(412.64)	(84.28)	(20.57)	(517.49)
Fair valuation of investments	495.54	(440.48)	-	55.06
Others	(57.61)	(268.81)	-	(326.42)
Deferred tax (assets)/liabilities Net during the period/year ended	771.21	(740.85)	(20.57)	9.79

MAT Credit included in deferred tax assets

Years	Opening balance	Entitlement / (Utilisation)	Closing balance	Deferred tax (charge)/credit (excluding MAT credit) during the period/year	Deferred tax recognised as (expense)/ credit
Period ended 30 September 2021	5,807.00	741.34	6,548.34	(48.74)	692.60
Year ended 31 March 2021	5,977.98	(170.98)	5,807.00	413.11	242.13
Year ended 31 March 2020	5,634.70	343.28	5,977.98	293.98	637.26
Year ended 31 March 2019	4,006.94	1,627.78	5,634.70	740.85	2,368.63

There are no unused tax losses and unabsorbed depreciation related to holding Company during period/year ended. There are some unused tax losses in of the subsidiary situated in United States of America amounting to ₹ 2,895.34/- millions as at 30 September 2021 on which no deferred tax asset is created.

NOTE 51: CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

(₹ in millions)

The aggregate amount of expenditure incurred during the year on Corporate Social Responsibility (CSR) as under is shown under Note 37: Other Expenses:

Particulars	For the six months ended 30 September, 2021	For the year ended 31 March, 2021	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Corporate Social Responsibility Expenses	170.86	324.74	311.85	265.43
Total	170.86	324.74	311.85	265.43

Note:

1) The Group has incurred ₹ 170.86 millions during six months ended 30 September 2021 towards CSR activities, as per Section 135 of the Companies Act, 2013 and Rules thereon. The gross amount required to be spent by the Company during the said period is ₹ 208.74 millions. It is included in Other Expenses head in the Statement of profit and loss. No amount was spent during the said period towards construction/acquisition of any asset relating to CSR.

2) The Group has contributed ₹ 1.05 millions to Macleods Social Welfare Foundation which is a Section 8 Company with the main objective of working in the areas of Health, Education and Environment.

3) The Group has not carried any provisions for Corporate social responsibility expenses for current period and previous year.

4) The Group does not wish to set-off any excess CSR amount spent during the year 2020-21 against current period's CSR obligation.

5) The Group does not have any ongoing projects for the six months ended 30 September, 2021 as defined under Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended).

NOTE 52: MSME TRANSACTIONS

The Group has received intimation from few 'Suppliers' regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, details of which are as under:

Particulars	For the six months ended 30 September, 2021	For the year ended 31 March, 2021	For the year ended 31 March, 2020	For the year ended 31 March, 2019
1. Principal amount due and remaining unpaid	865.67	747.86	632.18	742.72
2. Interest due on (1) above and the unpaid interest	-	-	-	-
3. Interest paid on all delayed payments under the MSMED Act	-	-	-	-
4. Payment made beyond the appointed day during the year	-	-	-	-
5. Interest due and payable for the period of delay other than (3) above	-	-	-	-
6. Interest accrued and remaining unpaid	-	-	-	-
7. Amount of further interest remaining due and payable in succeeding years	-	-	-	-
Total	865.67	747.86	632.18	742.72

Note: Above MSME data includes figures of R&D Sites.

**NOTES TO THE RESTATED CONSOLIDATED FINANCIAL INFORMATION
ANNEXURE 'A'**

Note 53: Disclosures under Accounting Standards

INDIAN ACCOUNTING STANDARD (Ind AS-24) "RELATED PARTY DISCLOSURES"

Names of Related Parties and description of Relationship

1. Subsidiaries

1. East and West Clothing Private Limited (99.98%)³
2. Macleods Pharma Universal Limited (100%)
3. Macleods Pharmaceuticals SA (Pty) Limited (69.98%)
4. Macleods Pharmaceuticals Limited, LLC (100%)
5. Macleods Pharma USA Inc. (100%)
6. Macleods Pharma Espana SLU (100%)
7. Oxus Pharma Ltd (100%)
8. Macleods Pharmaceuticals Sdn. Bhd. (100%)
9. Macleods Pharmaceuticals Philippines, Inc. (100%)

2. Associate Entity

1. Macleods Social Welfare Foundation (49%)
2. PT Sampharindo Retroviral Indonesia (49%)
3. Makmed LLC (45%)

3. Key Management Personnel

Executive Directors	Dr. Rajendra Agarwal	Managing Director
	Girdharilal Bawri	Chairman
	Banwarilal Bawri	Joint Managing Director
Non-Executive Director	Ruchi Agarwal	Director
Key Management Personnel	Vinayak Shirodkar	Chief Financial Officer (till 27.09.2021)
	Patri Venkat Raghavendra Rao	Chief Financial Officer (w.e.f 28.09.2021)
	Vijay Agarwal	President in Macleods Pharma USA Inc.
	Suvarna Bhaskar	Company Secretary (till 01.12.2018)
	Siddhesh Mahadeo Rane	Company Secretary (w.e.f 18.12.2018)

MACLEODS P ARMACEUTICALS LIMITED

**NOTES TO THE RESTATED CONSOLIDATED FINANCIAL INFORMATION
ANNEXURE 'A'**

Note 53: Disclosures under Accounting Standards

INDIAN ACCOUNTING STANDARD (Ind AS-24) "RELATED PARTY DISCLOSURES"

Names of Related Parties and description of Relationship

4.Relatives of Key Management

Personnel

Ajay Agarwal	Son of Chairman
Prateek Banwarilal Agarwal	Son of Joint Managing Director
Anju Agarwal	Wife of Managing Director
Taradevi Bawri	Wife of Chairman
Sudha Bawri	Wife of Joint Managing Director
Anushree Agarwal	Daughter of Joint Managing Director
Gauri Agarwal	Daughter of Managing Director
Shalini Kedia	Daughter of Chairman
Nirmala Ruia	Sister of Directors
Sumit Todi	Sister of Directors
Sitadevi Murarka	Sister of Directors
Premlata Bagaria	Sister of Directors
Rajendra Agarwal HUF	Dr. Rajendra Agarwal is a partner
Banwarilal Bawri HUF	Banwarilal Bawri is a partner
Girdharilal Bawri HUF	Girdharilal Bawri is a partner

5.Enterprise under Significant

Influence of Key management

Personnel or their relatives

Agarwal Holdings Private Limited
Macleods Laboratories Private Limited
M/s Oxalis Labs
M/s Pharma Centre
M/s Bawri Medical Depot
Lance Financial Consultants Private Limited
M/s Jaipur Hospital Drugs Store
M/s Nucleus Remedies

**NOTES TO THE RESTATED CONSOLIDATED FINANCIAL INFORMATION
ANNEXURE 'A'**

Note 53: Disclosures under Accounting Standards

INDIAN ACCOUNTING STANDARD (Ind AS-24) "RELATED PARTY DISCLOSURES"

Names of Related Parties and description of Relationship

Note:

- 1) The Group is in process of setting up two subsidiaries, one in Kenya, namely "O US P ARMA LTD" wherein it has subscribed to 75,000 Ordinary Shares as a subscriber to its Memorandum of Association and another subsidiary in South Africa namely "O US P ARMACEUTICALS (PTY) LTD" wherein it has subscribed to 1000 Shares as a subscriber to the Memorandum of Association.
- 2) Pursuant to a Board Resolution dated 15th November, 2021 the Group has acquired remaining 55% shares in Ma med LLC, Russia, Associate Entity hence, Ma med LLC Russia has now become wholly owned Subsidiary of the Group.
- 3) East and West Clothing Private Limited is not our subsidiary from appointed date 1st January, 2021 after Demerger Order dated 23 December, 2021 from NCLT. However, since the transactions are made with the Subsidiary during that period, transactions with East and West Clothing Private Limited are considered as Related Party Transactions (as a Subsidiary) as per Ind AS 24 for period ended 30th September, 2021 and year ended 31st March, 2021.

NOTE 53: ANNEXURE 'B': Summary of Related Party Transactions
(₹ in million)

Sr. No	Particulars	Six months ended	Year ended	Year ended	Year ended
		September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
A.	Sale of Goods				
A.1	Enterprise under Significant Influence of Key management Personnel or their relatives				
	M/s Bawri Medical Depot	101.36	114.63	172.39	140.20
	M/s Oxalis Labs	570.20	582.16	481.27	283.70
B.	Purchase of Goods				
B.1	Enterprise under Significant Influence of Key management Personnel or their relatives				
	M/s Oxalis Labs	1,839.83	4,396.68	4,195.67	3,393.78
C.	Sale of Assets				
C.1	Enterprise under Significant Influence of Key management Personnel or their relatives				
	M/s Oxalis Labs	0.38	5.69	14.17	4.93
D.	Purchase of Assets				
D.1	Enterprise under Significant Influence of Key management Personnel or their relatives				
	M/s Oxalis Labs	0.91	7.20	11.69	0.36
E.	Interest Income				
E.1	Enterprise under Significant Influence of Key management Personnel or their relatives				
	Agarwal Holdings Private Limited	13.97	-	-	-
F.	Sub-Lease Rental Income and Support Fees				
F.1	Enterprise under Significant Influence of Key management Personnel or their relatives				
	Agarwal Holdings Private Limited	0.09	0.05	-	-

NOTE 53: ANNEXURE 'B': Summary of Related Party Transactions
(₹ in million)

Sr. No	Particulars	Six months ended	Year ended	Year ended	Year ended
		September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
G.	Reimbursement of Expenses				
G.1	Enterprise under Significant Influence of Key management Personnel or their relatives				
	M/s Pharma Centre	0.42	0.90	0.86	1.02
	Agarwal Holdings Private Limited	-	(0.00)	-	-
H.	Donation Expenses				
H.1	Associate Entity				
	Macleods Social Welfare Foundation	1.05	0.35	0.05	-
I.	Temporary Advances given				
I.1	Associate Entity				
	Macleods Social Welfare Foundation	-	-	0.05	0.00
I.2	Enterprise under Significant Influence of Key management Personnel or their relatives				
	Agarwal Holdings Private Limited	902.63	-	-	-
	M/s Oxalis Labs	-	22.20	25.12	0.40
	Macleods Laboratories Private Limited	0.30	0.30	0.42	0.57
	Lance Financial Consultants Private Limited	-	0.04	0.14	0.00
I.3	Key Management Personnel				
	Girdharilal Bawri	-	4.06	4.12	11.15
	Banwarilal Bawri	-	13.88	20.97	31.33
	Dr. Rajendra Agarwal	-	5.32	3.72	25.75
	Vijay Agarwal	-	0.66	2.44	4.46

NOTE 53: ANNEXURE 'B': Summary of Related Party Transactions
(₹ in million)

Sr. No	Particulars	Six months ended	Year ended	Year ended	Year ended
		September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
I.4	Relatives of Key Management Personnel				
	Anju Agarwal	-	10.16	16.99	17.81
	Ajay Agarwal	-	10.13	16.21	18.68
J.	Temporary Advances received back				
J.1	Associate Entity				
	Macleods Social Welfare Foundation	-	-	0.05	0.00
J.2	Enterprise under Significant Influence of Key management Personnel or their relatives				
	M/s Oxalis Labs	-	22.20	25.12	0.40
	Macleods Laboratories Private Limited	0.30	0.30	0.42	0.57
	Lance Financial Consultants Private Limited	-	0.04	0.14	0.00
J.3	Key Management Personnel				
	Girdharilal Bawri	-	4.06	4.12	11.15
	Banwarilal Bawri	-	13.88	20.97	31.33
	Dr. Rajendra Agarwal	-	5.32	3.72	25.75
	Vijay Agarwal	-	0.66	2.44	4.46
J.4	Relatives of Key Management Personnel				
	Anju Agarwal	-	10.16	16.99	17.81
	Ajay Agarwal	-	10.13	16.21	18.68

NOTE 53: ANNEXURE 'B': Summary of Related Party Transactions
(₹ in million)

Sr. No	Particulars	Six months ended	Year ended	Year ended	Year ended
		September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
K.	Short Term Employee Benefits paid				
K.1	Key Management Personnel				
	Girdharilal Bawri	158.06	316.03	313.65	241.54
	Banwarilal Bawri	158.06	316.03	313.65	241.54
	Dr. Rajendra Agarwal	158.06	316.03	313.65	241.54
	Ruchi Agarwal	2.51	4.98	4.95	2.47
	Vijay Agarwal	19.27	39.49	39.21	35.35
	Vinayak Shirodkar	8.51	16.55	14.86	13.26
	Patri Venkat Raghavendra Rao	0.01	-	-	-
	Siddhesh Mahadeo Rane	0.48	0.91	0.78	0.18
	Suvarna Bhaskar	-	-	-	1.03
K.2	Relatives of Key Management Personnel				
	Ajay Agarwal	10.03	20.67	20.67	18.63
	Prateek Banwarilal Agarwal	4.53	9.31	9.31	7.62
	Gauri Agarwal	0.17	-	-	-
L.	Professional Fees paid				
L.1	Relatives of Key Management Personnel				
	Kusum Todi	0.38	0.76	0.72	0.69
	Nirmala Ruia	-	-	3.49	3.49
M.	Commission paid				
M.1	Enterprise under Significant Influence of Key management Personnel or their relatives				
	M/s Pharma Centre	28.34	41.74	41.37	42.25

NOTE 53: ANNEXURE 'B': Summary of Related Party Transactions
(₹ in million)

Sr. No	Particulars	Six months ended	Year ended	Year ended	Year ended
		September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
N.	Rent paid				
N.1	Relatives of Key Management Personnel				
	Sudha Bawri	6.28	12.56	12.56	12.56
	Anju Agarwal	6.28	12.56	12.56	12.56
	Ajay Agarwal	6.28	12.56	12.56	12.56
	Prateek Banwarilal Agarwal	0.51	1.03	1.03	0.94
N.2	Enterprise under Significant Influence of Key management Personnel or their relatives				
	Macleods Laboratories Private Limited	0.66	1.20	1.20	1.20
O.	Dividends distributed				
O.1	Key Management Personnel				
	Girdharilal Bawri	-	-	-	22.35
	Banwarilal Bawri	-	-	-	30.22
	Dr. Rajendra Agarwal	-	-	-	17.99
	Ruchi Agarwal	-	-	-	16.01
	Vijay Agarwal	-	-	-	20.84
O.2	Relatives of Key Management Personnel				
	Rajendra Agarwal HUF	-	-	-	0.10
	Taradevi Bawri	-	-	-	1.62
	Sudha Bawri	-	-	-	8.84
	Anju Agarwal	-	-	-	16.28
	Ajay Agarwal	-	-	-	21.73
	Anushree Agarwal	-	-	-	2.29
	Prateek Banwarilal Agarwal	-	-	-	25.18
	Gauri Agarwal	-	-	-	16.15

NOTE 53: ANNEXURE 'B': Summary of Related Party Transactions*(₹ in million)*

Sr. No	Particulars	Six months ended	Year ended	Year ended	Year ended
		September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
P.	Miscellaneous Transactions made				
P.1	Enterprise under Significant Influence of Key management Personnel or their relatives				
	M/s Oxalis Labs	1.21	3.89	1.36	(0.77)
	M/s Pharma Centre	0.02	(0.52)	0.42	0.15
Q.	Equity Contributions				
Q.1	Associate Entity				
	Makmed LLC	-	0.01	-	-
	PT Sampharindo Retroviral Indonesia	123.97	-	102.48	-

MACLEODS PHARMACEUTICALS LIMITED**NOTES TO THE RESTATED CONSOLIDATED FINANCIAL INFORMATION****NOTE 53: ANNEXURE 'B': Summary of Related Party Transactions**

		<i>(₹ in million)</i>			
Sr. No	Particulars	As at	As at	As at	As at
		September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
R.	Balance of Investments as on				
R.1	Associate Entity				
	Macleods Social Welfare Foundation	0.05	0.05	0.05	0.05
	PT Sampharindo Retroviral Indonesia	226.45	102.48	102.48	-
	Makmed LLC	0.01	0.01	-	-
S.	Interest Receivable				
S.1	Enterprise under Significant Influence of Key management Personnel or their relatives				
	Agarwal Holdings Private Limited	13.97	-	-	-
T.	Trade Receivables				
T.1	Enterprise under Significant Influence of Key management Personnel or their relatives				
	M/s Bawri Medical Depot	9.55	0.00	-	(0.00)
	M/s Oxalis Labs	0.04	0.38	0.00	-
	M/s Pharma Centre	8.71	10.05	12.34	13.70
U.	Advance received from Customers				
U.1	Enterprise under Significant Influence of Key management Personnel or their relatives				
	M/s Bawri Medical Depot	-	-	1.65	-
V.	Sub-Lease Rent Receivable				
V.1	Enterprise under Significant Influence of Key management Personnel or their relatives				
	Agarwal Holdings Private Limited	0.16	0.05	-	-

MACLEODS PHARMACEUTICALS LIMITED**NOTES TO THE RESTATED CONSOLIDATED FINANCIAL INFORMATION****NOTE 53: ANNEXURE 'B': Summary of Related Party Transactions**

		<i>(₹ in million)</i>			
Sr. No	Particulars	As at	As at	As at	As at
		September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
W.	Balance of Loans & Advances/Other Receivables				
W.1	Key Management Personnel				
	Vijay Agarwal	0.01	0.01	0.01	0.01
W.2	Enterprise under Significant Influence of Key management Personnel or their relatives				
	Agarwal Holdings Private Limited	902.63	-	-	-
	Agarwal Holdings Private Limited on account of demerger	1,750.47	(1,953.82)	-	-
X.	Trade Payables				
X.1	Enterprise under Significant Influence of Key management Personnel or their relatives				
	M/s Oxalis Labs	155.46	314.43	62.27	98.66
	Macleods Laboratories Private Limited	-	0.01	-	-
Y.	Commission Payable				
Y.1	Enterprise under Significant Influence of Key management Personnel or their relatives				
	M/s Pharma Centre	5.29	2.90	3.28	2.24
Z.	Salaries & Remuneration Payable**				
Z.1	Key Management Personnel				
	Girdharilal Bawri	12.26	11.76	-	9.89
	Banwarilal Bawri	12.26	11.76	-	10.17
	Dr. Rajendra Agarwal	12.26	11.76	-	10.73
	Ruchi Agarwal	0.28	0.28	-	0.14
	Vijay Agarwal	1.24	1.22	1.07	1.17

MACLEODS PHARMACEUTICALS LIMITED**NOTES TO THE RESTATED CONSOLIDATED FINANCIAL INFORMATION****NOTE 53: ANNEXURE 'B': Summary of Related Party Transactions**

		<i>(₹ in million)</i>			
Sr. No	Particulars	As at	As at	As at	As at
		September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
Z.2	Relatives of Key Management Personnel				
	Ajay Agarwal	1.02	0.85	0.88	0.87
	Prateek Banwarilal Agarwal	0.47	0.46	0.46	0.38
	Gauri Agarwal	0.16	-	-	-
AA.	Expenses Payable				
AA.1	Enterprise under Significant Influence of Key management Personnel or their relatives				
	M/s Pharma Centre	0.11	0.19	0.07	0.42

**** Post Employment Benefits in the form of Gratuity and Compensated Absences has not been considered in above information as a separate actuarial valuation/details of premium paid are not available.**

NOTE 54: DETAILS OF LOANS GIVEN AND INVESTMENTS MADE COVERED UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013**a) Loans and Advances in the nature of Loans given to Related Parties**

(₹ in millions)														
Sr. No.	Name of the Entities	Type	As at 30 September, 2021	% to Total Loans and Advances	Maximum Balance during the period	As at 31 March, 2021	% to Total Loans and Advances	Maximum Balance during the year	As at 31 March, 2020	% to Total Loans and Advances	Maximum Balance during the year	As at 31 March, 2019	% to Total Loans and Advances	Maximum Balance during the year
1	Agarwal Holdings Pvt Ltd	Related Enterprises	902.63	99.19%	902.63	-	-	-	-	-	-	-	-	-
2	Agarwal Holdings Pvt Ltd (Refer Note Below)	Related Enterprises	1,750.47	-	1,750.47									

Notes:

- i* All the above loans and advances have been given for business purposes, settlement of which was neither planned nor likely to occur in the next twelve months.
- ii* The loans and advances shown above, fall under the category of 'Non-Current Financial Assets-Non-Current Loans'.
- iii* The Borrower has not made any investment in the shares of the Group
- iv* Loans given to employees as per the Group's policy are not considered
- v* Loan amounting to ₹ 1,750.47 million is on account of impact of demerger transaction, which falls under the category of 'Current Financial Assets -Other'.

NOTE 54: DETAILS OF LOANS GIVEN AND INVESTMENTS MADE COVERED UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013

b) Details of Investment in Associates

(₹ in millions)

Sr. Name No.	As at 30 September 2021			As at 31 March 2021			As at 31 March 2020			As at 31 March 2019		
	% of Holding	No of Shares	Unquoted	% of Holding	No of Shares	Unquoted	% of Holding	No of Shares	Unquoted	% of Holding	No of Shares	Unquoted
1 Macleods Social Welfare Foundation Face value of Rs. 10/- each fully paid	49%	4,900	0.05	49%	4,900	0.05	49%	4,900	0.05	49%	4,900	0.05
2 PT Sampharindo Retroviral Indonesia Face value of IDR 1,000,000 /- each fully paid	49%	44,100	226.45	22%	19,800	102.48	22%	19,800	102.48			
3 Makmed LLC (Refer Note below) Face Value of Russian Roubles 100/- each fully paid	45%		0.01	45%		0.01		-	-			
Total		49,000	226.51		24,700	102.54		24,700	102.53		4,900	0.05

Note:

1) Pursuant to a Board Resolution dated 15 November, 2021 the Group has acquired remaining 55% shares in Makmed LLC, Russia, Associate Entity hence, Makmed LLC Russia has now become wholly owned Subsidiary of the Group with effect from 24 November, 2021.

2) All the above investments are at cost.

NOTE 55: FAIR VALUE MEASUREMENT

(₹ in millions)

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

Fair value of cash and current deposits, trade and other current receivables, trade payables, other current liabilities, current loans from banks and other financial institutions approximate their carrying amounts largely due to the current maturities of these instruments.

Financial Instruments with fixed and variable interest rates are evaluated by the group based on parameters such as interest rate and individual credit worthiness of the counterparties. Based on this evaluation, allowances are taken to account for the expected losses on these receivables.

Fair Value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of following:

Level 1 Category includes financial assets and liabilities, that are measured in whole or in significant part by reference to published quotes in an active market.

Level 2 Category includes financial assets and liabilities measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions. These include assets and liabilities for which pricing is obtained via pricing services, but where prices have not been determined in an active market, financial assets with fair values based on broker quotes and assets that are valued using the Groups's own valuation models whereby the material assumptions are market observable.

Level 3 Category includes financial assets and liabilities measured using valuation techniques based on non market observable inputs. This means that fair values are determined in whole or in part using a 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. However, the fair value measurement objective remains the same, that is, to estimate an exit price from the perspective of the Group. The main asset classes in this category are unlisted equity investments as well as unlisted funds.

NOTE 55: FAIR VALUE MEASUREMENT

(₹ in millions)

The carrying value and fair value of financial instruments by categories as at 30 September, 2021 were as follows:

Particulars	Carrying Value as at 30 September, 2021	Fair Value		
		Level 1	Level 2	Level 3
Financial Assets:				
Financial Assets at Amortised Cost:				
Investment in Equity Accounted Investees	235.02			235.02
Other Investments	43.56			43.56
Non-Current Loans	907.30			907.30
Other Non-Current Financial Assets	1,520.04			1,520.04
Trade Receivables	10,536.42			10,536.42
Cash and Cash Equivalents	1,504.31			1,504.31
Current Loans	2.71			2.71
Other Current Financial Assets	5,447.84			5,447.84
Total	20,197.20			20,197.20

Particulars	Carrying Value as at 30 September, 2021	Fair Value		
		Level 1	Level 2	Level 3
Financial Assets at Fair Value through Statement of Profit and Loss:				
Investments (Equity Shares)	6.41	6.41		
Total	6.41	6.41		

Particulars	Carrying Value as at	Fair Value		
		Level 1	Level 2	Level 3
Financial Liabilities:				
Financial Liabilities at amortised cost:				
Lease Liabilities	354.13			354.13
Other Non-Current Financial Liabilities	355.86			355.86
Trade Payables (Due to MSME and Others)	8,491.63			8,491.63
Borrowings (Current and Non-Current)	464.30			464.30
Other Current Financial Liabilities	3,729.87			3,729.87
Total	13,395.79			13,395.79

NOTE 55: FAIR VALUE MEASUREMENT

(₹ in millions)

The carrying value and fair value of financial instruments by categories as at 31 March, 2021 were as follows:

Particulars	Carrying Value as at 31 March, 2021	Fair Value		
		Level 1	Level 2	Level 3
Financial Assets:				
Financial Assets at Amortised Cost:				
Investment in Equity Accounted Investees	103.45			103.45
Other Investments	43.56			43.56
Non-Current Loans	2.07			2.07
Other Non-Current Financial Assets	1,981.72			1,981.72
Trade Receivables	10,219.73			10,219.73
Cash and Cash Equivalents	721.47			721.47
Current Loans	4.20			4.20
Other Current Financial Assets	1,642.65			1,642.65
Total	14,718.85			14,718.85

Particulars	Carrying Value as at 31 March, 2021	Fair Value		
		Level 1	Level 2	Level 3
Financial Assets at Fair Value through Statement of Profit and Loss:				
Investments (Equity Shares)	6.44	6.44		
Total	6.44	6.44		

Particulars	Carrying Value as at 31 March, 2021	Fair Value		
		Level 1	Level 2	Level 3
Financial Liabilities:				
Financial Liabilities at amortised cost:				
Lease Liabilities	353.67			353.67
Other Non-Current Financial Liabilities	334.23			334.23
Trade Payables (Due to MSME and Others)	6,673.14			6,673.14
Borrowings (Current and Non-Current)	797.17			797.17
Other Current Financial Liabilities	2,539.21			2,539.21
Total	10,697.42			10,697.42

NOTE 55: FAIR VALUE MEASUREMENT

(₹ in millions)

The carrying value and fair value of financial instruments by categories as at 31 March, 2020 were as follows:

Particulars	Carrying Value as at 31 March, 2020	Fair Value		
		Level 1	Level 2	Level 3
Financial Assets:				
Financial Assets at Amortised Cost:				
Investment in Equity Accounted Investees	102.49			102.49
Other Investments	19.11			19.11
Non-Current Loans	3.74			3.74
Other Non-Current Financial Assets	21,108.17			21,108.17
Trade Receivables	12,637.66			12,637.66
Cash and Cash Equivalents	1,267.46			1,267.46
Current Loans	4.45			4.45
Other Current Financial Assets	8,795.36			8,795.36
Investments (Perpetual Bonds)	9,836.23			9,836.23
Total	53,774.67			53,774.67

Particulars	Carrying Value as at 31 March, 2020	Fair Value		
		Level 1	Level 2	Level 3
Financial Assets at Fair Value through Statement of Profit and Loss:				
Investments (Mutual Funds)	1,874.44	1,874.44		
Investments (Liquid Funds)	2,716.94	2,716.94		
Investments (Equity Shares)	3,507.26	3,507.26		
Total	8,098.64	8,098.64		

Particulars	Carrying Value as at 31 March, 2020	Fair Value		
		Level 1	Level 2	Level 3
Financial Liabilities:				
Financial Liabilities at amortised cost:				
Lease Liabilities	391.72			391.72
Other Non-Current Financial Liabilities	318.21			318.21
Trade Payables (Due to MSME and Others)	7,698.55			7,698.55
Borrowings (Current and Non-Current)	360.68			360.68
Other Current Financial Liabilities	3,020.14			3,020.14
Total	11,789.30			11,789.30

NOTE 55: FAIR VALUE MEASUREMENT

(₹ in millions)

The carrying value and fair value of financial instruments by categories as at 31 March, 2019 were as follows:

Particulars	Carrying Value as at 31 March, 2019	Fair Value		
		Level 1	Level 2	Level 3
Financial Assets:				
Financial Assets at Amortised Cost:				
Investment in Equity Accounted Investees	0.01			0.01
Other Investments	19.11			19.11
Non-Current Loans	2.33			2.33
Other Non-Current Financial Assets	3,205.96			3,205.96
Trade Receivables	9,991.34			9,991.34
Cash and Cash Equivalents	533.47			533.47
Current Loans	3.78			3.78
Other Current Financial Assets	21,037.56			21,037.56
Investments (Perpetual Bonds)	9,078.18			9,078.18
Total	43,871.74			43,871.74

Particulars	Carrying Value as at 31 March, 2019	Fair Value		
		Level 1	Level 2	Level 3
Financial Assets at Fair Value through Statement of Profit and Loss:				
Investments (Mutual Funds)	1,839.34	1,839.34		
Investments (Equity Shares)	3,128.08	3,128.08		
Total	4,967.42	4,967.42		

Particulars	Carrying Value as at 31 March, 2019	Fair Value		
		Level 1	Level 2	Level 3
Financial Liabilities:				
Financial Liabilities at amortised cost:				
Lease Liabilities	231.57			231.57
Other Non-Current Financial Liabilities	277.78			277.78
Trade Payables (Due to MSME and Others)	5,273.22			5,273.22
Borrowings (Current and Non-Current)	1,318.55			1,318.55
Other Current Financial Liabilities	2,102.78	341		2,102.78
Total	9,203.90			9,203.90

NOTE 56: FINANCIAL RISK MANAGEMENT

A. Risk Management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in Industry, the Group monitors capital on the basis of the following gearing ratio : (net debt divided by total 'equity')

Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short-term and long-term debt. The Group is exposed to market risk primarily related to currency risk, price risk and interest rate risk. The above risks may affect the Group's income and expenses, or the value of its financial instruments. The Group's exposure to and management of these risks are explained below.

a. Currency Risk :

The Group operates internationally and a major portion of the business is transacted in several currencies and consequently the Group is exposed to foreign exchange risk to the extent that there is mismatch between currencies of its sales and services and purchases from overseas supplier across various foreign currencies.

The exchange rate between the Indian Rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Group's operations are affected as the Rupee appreciates/ depreciates against US Dollar (USD), Euro (EUR), Great Britain Pound (GBP), South African Rand (ZAR) and other currencies.

NOTE 56: FINANCIAL RISK MANAGEMENT

Foreign currency risk from financial instruments:

The following table analyses foreign currency risk from non-derivative financial instruments as at 30 September 2021: (₹ in millions)

Particulars	US \$	EURO	Others	Total
Assets:				
Cash and cash equivalents	0.66	0.08	0.89	1.63
Trade receivables	5,071.05	550.08	530.26	6,151.39
Total	5,071.71	550.16	531.15	6,153.02
Liabilities:				
Trade payables	1,181.35	8.28	(0.01)	1,189.62
Total	1,181.35	8.28	(0.01)	1,189.62

The following table analyses foreign currency risk from non-derivative financial instruments as at 31 March 2021:

Particulars	US \$	EURO	Others	Total
Assets:				
Cash and cash equivalents	1.19	0.06	1.07	2.32
Trade receivables	3,404.92	639.58	244.00	4,288.49
Total	3,406.11	639.64	245.07	4,290.81
Liabilities:				
Trade payables	718.46	16.77	0.24	735.47
Total	718.46	16.77	0.24	735.47

The following table analyses foreign currency risk from non-derivative financial instruments as at 31 March 2020:

Particulars	US \$	EURO	Others	Total
Assets:				
Cash and cash equivalents	0.58	0.05	0.91	1.54
Trade receivables	1,905.65	697.13	108.05	2,710.84
Total	1,906.23	697.18	108.96	2,712.38
Liabilities:				
Trade payables	252.96	14.63	1.46	269.05
Total	252.96	14.63	1.46	269.05

NOTE 56: FINANCIAL RISK MANAGEMENT

The following table analyses foreign currency risk from non-derivative financial instruments as at 31 March 2019:

(₹ in millions)

Particulars	US \$	EURO	Others	Total
Assets:				
Cash and cash equivalents	0.47	0.12	1.40	1.99
Trade receivables	2,647.17	653.86	211.94	3,512.97
Total	2,647.64	653.98	213.34	3,514.96
Liabilities:				
Trade payables	565.64	3.54	1.97	571.15
Total	565.64	3.54	1.97	571.15

The above table does not include Intercompany Receivables and Payables which are eliminated in these financial information, however due to different functional currencies of the companies forming part of the group, it is also exposed to foreign currency risk arising out of intercompany transactions within the group.

Commodity Rate Risk

Exposure to market risk with respect to commodity prices primarily arises from the Group's purchases and sales of active pharmaceutical ingredients, including the raw material components for such active pharmaceutical ingredients. These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of the Group's raw materials generally fluctuate in line with commodity cycles, although the prices of raw materials used in the Group's active pharmaceutical ingredients business are generally more volatile. Cost of raw materials forms the largest portion of the Group's operating expenses. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies.

b. Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of expected losses in respect of trade and other receivables and investments.

Trade and Other Receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the group operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

NOTE 56: FINANCIAL RISK MANAGEMENT**Investments**

The Group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Group does not expect any losses from non-performance by these counter-parties.

Details of Financial Assets:

None of the Group's cash equivalents, including term deposits with banks, were past due or impaired as at 30 September 2021. The Group's credit period for trade receivables payable by its customers generally ranges from 60-70 days.

The ageing of trade receivables is given below:

Particulars	(₹ in millions)			
	As at 30 September 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Neither past due nor impaired	136.83	119.34	122.5	110.67
<u>Past due but not impaired</u>				
Less than 365 days	10,110.11	9,739.17	11,885.10	9,123.21
More than 365 days	426.31	480.56	752.56	868.13
	10,673.25	10,339.07	12,760.16	10,102.01
Less: Allowance for expected credit losses	(136.83)	(119.34)	(122.50)	(110.67)
Total	10,536.42	10,219.73	12,637.66	9,991.34

Loans and advances

Other than trade receivables and loans and advances, the Group has no significant class of financial assets that is past due but not impaired.

c. Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Group's reputation.

As at 30 September 2021, the Group had net working capital of ₹ 17,702.46/- millions, including cash and cash equivalents of ₹ 1,504.31/- millions, and investments in equity shares of ₹ 6.41/- millions.

NOTE 56: FINANCIAL RISK MANAGEMENT

Capital Management

Net debt = Total borrowings less Cash and cash equivalents

Total 'equity' is as shown in the balance sheet

Particulars	(₹ in millions)			
	As at 30 September 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Total Debt	464.30	797.17	360.68	1,318.55
Less: Cash and cash equivalent	1,504.31	721.47	1,267.46	533.47
Net Debt (A)	(1,040.01)	75.70	(906.78)	785.08
Total Equity (B)	44,131.39	37,947.74	75,666.37	60,142.76
Net Debt to Equity ratio (A/B)	-2.36%	0.20%	-1.20%	1.31%

B. Dividend on Equity Share

Particulars	Six months ended 30 September 2021	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Dividend on equity shares paid during the period/year				
Interim dividend for the year [FY 2020-21 ₹ Nil; FY 2019-20 ₹ Nil (FY 2018-19 ₹ 10.00) per equity share of ₹ 10.00 each]	-	-	-	199.61
Dividend distribution tax on interim dividend	-	-	-	41.03
Total	-	-	-	240.64

NOTE 57: LEASES

The Group has leased office premises and buildings under various lease arrangements renewable on periodic basis at option of both the lessor and lessee.

As a Lessee:-

Following are the changes in the Carrying Value of Right-Of-Use Assets:

i) Right-of-use assets

(₹ in millions)

Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
Balance at April 1	621.86	596.48	220.49	-
Initial Application of Ind AS 116	-	-	-	269.09
Addition during the period/year	44.64	119.77	449.50	-
Exchange Difference during the period/year	1.65	(0.40)	-	-
Deletion during the period/year	-	(0.15)	-	-
Depreciation during the period/year	(49.94)	(93.84)	(73.51)	(48.60)
Balance as at period/year ended	618.21	621.86	596.48	220.49

The weighted average incremental borrowing rate applied to lease liability is in the range of 8.55% to 9.00%

ii) Lease Liabilities

Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
Balance at April 1	353.67	391.72	231.57	-
Initial Application of Ind AS 116	-	-	-	263.53
Addition during the period/year for new Contracts entered	42.81	39.26	210.57	-
Reversed due to completion of contracts during the period/year	-	(0.16)	-	-
Exchange Difference during the period/year	1.13	1.37	(0.09)	-
Add: Interest accrued during the period/year	15.04	31.78	26.00	15.33
Less: Payments during the period/year	(58.52)	(110.30)	(76.33)	(47.29)
Balance as at period/year ended	354.13	353.67	391.72	231.57

NOTE 57: LEASES

The following is the break-up of current and non-current lease liabilities:

(₹ in millions)

Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
Current lease liabilities	41.44	47.09	80.44	-
Non-Current lease liabilities	312.69	306.58	311.28	231.57
Total	354.13	353.67	391.72	231.57

iii) Amounts recognised in Statement of Profit and Loss

Particulars	For the six months ended 30 September, 2021	For the year ended 31 March, 2021	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Depreciation expense on Right-of-use assets	49.94	93.84	73.51	48.60
Interest expense on Lease Liabilities	15.04	31.78	26.00	15.33

The Tenure of Leases range from 1 year to 99 years

NOTES TO THE RESTATED CONSOLIDATED FINANCIAL INFORMATION

Note 58 (a) : Prior period restatement

Prior years numbers has been restated due to certain reclassifications, rectifications and other adjustments (including impact of NCLT Order as mentioned in Note 61). The nature and extent of restatements is as mentioned below:

(₹ in millions)										
Particulars	As per Reported Financials	As per Restated Financials		As per Reported Financials	As per Restated Financials		As per Reported Financials	As per Restated Financials	Difference	Reasons
	As at	As at	Difference	As at	As at	Difference	As at	As at		
	March 31, 2021	March 31, 2021		March 31, 2020	March 31, 2020		March 31, 2019	March 31, 2019		
Assets										
(1) Non-Current Assets										
(A) Property, Plant And Equipment	15,415.45	13,407.70	2,007.75	11,898.67	10,176.80	1,721.87	10,774.79	9,375.18	1,399.61	Depreciation calculated on Single Shift basis earlier restated to Double and Triple Shift on Plants operating at Double and Triple Shift respectively.
(B) Capital Work-In-Progress	2,644.41	2,527.54	116.87	2,135.51	2,106.07	29.44	511.48	503.79	7.69	Charging off Pre Operative Expenses to respective assets or expenses in their respective period against earlier practice of charging them off upon Capitalisation.
(C) Investment Properties	267.01	267.01	-	271.90	271.90	-	99.69	99.69	-	No Change
(D) Right-Of-Use Assets	627.85	621.86	5.99	607.46	596.48	10.98	-	220.49	(220.49)	Impact is on Account of appropriate application of IND-AS 116
(E) Goodwill	28.40	-	28.40	28.40	28.40	-	28.40	28.40	-	Goodwill relates to the Demerged Entity which is carved out post NCLT order.
(F) Intangible Assets	56.65	56.65	-	64.20	64.20	-	54.64	54.64	-	No Change
(G) Intangible Assets Under Development	-	-	-	-	-	-	-	-	-	No Change
(H) Investment In Equity Accounted Investees	-	103.45	(103.45)	-	102.49	(102.49)	-	0.01	(0.01)	Included as part of Long Term Investment now regrouped to face of Balance Sheet.
(I) Financial Assets										
(I) Investments	15,164.21	43.56	15,120.65	11,331.95	9,355.02	1,976.93	10,936.63	7,995.69	2,940.94	Investments relating to the Demerged Entity are carved out post NCLT order. Additionally, there is a reclassification between Current and Non-Current Investments to bring it in line with Schedule III Guidance. Included as part of Long Term Investment now regrouped to face of Balance Sheet.
(II) Loans	2.07	2.07	-	3.74	3.74	-	2.33	2.33	-	No Change
(III) Other Financial Assets	6,057.28	1,981.72	4,075.56	21,127.83	21,108.17	19.66	3,048.13	3,205.96	(157.83)	Investments relating to the Demerged Entity are carved out post NCLT order. Further originally, there were certain Assets in which Current, Non-Current classification was not based on Contractual Agreement. Financial Assets were classified based on remaining maturity. The same has been reclassified between Current and Non-Current to bring them in line with Schedule III Guidance.
(J) Income Tax Assets (Net)	-	538.41	(538.41)	-	758.17	(758.17)	-	692.58	(692.58)	Tax consequence of all adjustments
(K) Deferred Tax Assets	520.55	6,569.93	(6,049.38)	109.77	6,301.69	(6,191.92)	-	5,624.92	(5,624.92)	Tax consequence of all adjustments
(L) Other Non-Current Assets	60.15	536.83	(476.68)	100.65	561.46	(460.81)	118.98	374.06	(255.08)	Capital advances were earlier forming part of Advances paid to Vendors are now presented separately. Balances with excise department under dispute are regrouped from other current assets to non current assets (2019 - 34.11)
Total Non-Current Assets	40,844.03	26,656.73	14,187.30	47,680.08	51,434.59	(3,754.51)	25,575.07	28,177.74	(2,602.67)	
(2) Current Assets										
(A) Inventories	14,225.15	15,625.51	(1,400.36)	9,520.37	9,879.12	(358.75)	7,837.23	8,355.58	(518.35)	Inventory cut off adjustments have been considered in the restated financials as the same was not considered in the financials due to which there is increase in the value of inventory. The adjustments of inventory provisioning policy has been made in prior year financials to bring it in line with the current period.
(B) Financial Assets										
(I) Investments	12,206.04	6.44	12,199.60	6,724.52	8,598.96	(1,874.44)	3,128.08	6,069.02	(2,940.94)	Investments relating to the Demerged Entity are carved out post NCLT order. Additionally, there is a reclassification between Current and Non-Current to bring it in line with Schedule III Guidance.

NOTES TO THE RESTATED CONSOLIDATED FINANCIAL INFORMATION

Note 58 (a) : Prior period restatement

Prior years numbers has been restated due to certain reclassifications, rectifications and other adjustments (including impact of NCLT Order as mentioned in Note 61). The nature and extent of restatements is as mentioned below:

(₹ in millions)										
Particulars	As per Reported Financials As at March 31, 2021	As per Restated Financials As at March 31, 2021	Difference	As per Reported Financials As at March 31, 2020	As per Restated Financials As at March 31, 2020	Difference	As per Reported Financials As at March 31, 2019	As per Restated Financials As at March 31, 2019	Difference	Reasons
(II) Trade Receivables	9,969.24	10,219.73	(250.49)	11,320.54	12,637.66	(1,317.12)	8,307.83	9,991.34	(1,683.51)	Inventory cut off adjustments have been recorded in the restated financials as the same was not considered in the financials due to which there is change in the value of trade receivables.
(III) Cash And Cash Equivalents	1,993.93	721.47	1,272.46	3,562.70	1,267.46	2,295.24	1,392.21	533.47	858.74	Earlier, no provision made for expected credit loss, now same has been done.
(IV) Balance Other Than Cash And Cash Equivalents	20,043.26	-	20,043.26	3,028.68	-	3,028.68	17,443.61	-	17,443.61	Fixed deposits having remaining maturity of less than 3 months were previously classified as cash and cash equivalents, the same has been now presented as per the Guidance of Schedule III.
(V) Loans	4.20	4.20	-	4.45	4.45	-	3.80	3.78	0.02	Fixed deposits having remaining maturity of less than 3 months were previously classified as cash and cash equivalents, the same has been now presented as per the Guidance of Schedule III.
(VI) Other Financial Assets	5,079.11	1,642.65	3,436.46	1,560.96	8,795.36	(7,234.40)	1,428.11	21,037.56	(19,609.45)	Certain Changes in classifications which are not identified to be material in nature.
Income Tax assets	5,265.49	2,470.64	2,794.85	5,467.79	3,116.27	2,351.52	3,238.00	1,520.20	1,717.80	Investments relating to the Demerged Entity are carved out post NCLT order. Further originally, there were certain Assets in which Current / Non-Current classification was not based on Contractual Agreement : Financial Assets were classified based on remaining maturity. The same has been reclassified between Current and Non-Current to bring it in line with Schedule III Guidance.
										Capital advances were earlier forming part of Advances paid to Vendors are now presented separately.
										Export Benefit Receivable Regrouped to other current financial assets.
Inter Divisional Balances (Net)	4,647.46	-	4,647.46	5,714.87	-	5,714.87	5,008.15	-	5,008.15	
Total Current Assets	73,433.88	30,690.64	42,743.24	46,904.88	44,299.28	2,605.60	47,787.02	47,510.95	276.07	
Total Assets	114,277.91	57,347.37	56,930.54	94,584.96	95,733.87	(1,148.91)	73,362.09	75,688.69	(2,326.60)	

NOTES TO THE RESTATED CONSOLIDATED FINANCIAL INFORMATION

Note 58 (a) : Prior period restatement

Prior years numbers has been restated due to certain reclassifications, rectifications and other adjustments (including impact of NCLT Order as mentioned in Note 61). The nature and extent of restatements is as mentioned below:

Particulars	(₹ in millions)								
	As per Reported Financials	As per Restated Financials	Difference	As per Reported Financials	As per Restated Financials	Difference	As per Reported Financials	As per Restated Financials	Difference
	As at March 31, 2021	As at March 31, 2021		As at March 31, 2020	As at March 31, 2020		As at March 31, 2019	As at March 31, 2019	
Equity And Liabilities									
Equity									
(A) Equity Share Capital	199.61	199.61	-	199.61	199.61	-	199.61	199.61	- No Change
(B) Other Equity	99,468.27	37,760.91	61,707.36	80,640.22	75,454.55	5,185.67	62,147.85	59,949.91	2,197.94
Equity Attributable To Owners	99,667.88	37,960.52	61,707.36	80,839.83	75,654.16	5,185.67	62,347.46	60,149.52	2,197.94
Non-Controlling Interest	(12.79)	(12.78)	(0.01)	12.21	12.21	-	(8.68)	(6.76)	(1.92)
Total Equity	99,655.09	37,947.74	61,707.35	80,852.04	75,666.37	5,185.67	62,338.78	60,142.76	2,196.02
Liabilities									
(1) Non-Current Liabilities									
(A) Financial Liabilities									
(I) Borrowings	334.23	-	334.23	318.21	-	318.21	-	-	- Security Deposits earlier Classified as Borrowings, regrouped to Other Financial Liabilities.
(II) Lease Liabilities	-	306.58	(306.58)	-	311.28	(311.28)	-	231.57	(231.57) Disclosed separately on face of Balance sheet as per latest amendments.
(III) Other Financial Liabilities	-	334.23	(334.23)	-	318.21	(318.21)	277.78	277.78	- Security Deposits earlier Classified as Borrowings, regrouped to Other Financial Liabilities.
(B) Provisions	2,349.69	1,534.26	815.43	1,626.39	1,261.53	364.86	1,292.68	999.30	293.38
(C) Other Non-Current Liabilities	409.27	102.48	306.79	442.39	115.31	327.08	146.81	128.18	18.63
Deferred Tax Liabilities	-	-	-	-	-	-	111.67	-	111.67
Total Non-Current Liabilities	3,093.19	2,277.55	815.64	2,386.99	2,006.33	380.66	1,828.94	1,636.83	192.11
(2) Current Liabilities									
(A) Financial Liabilities									
(I) Borrowings	797.16	797.17	(0.01)	360.67	360.68	(0.01)	1.02	1,318.55	(1,317.53)
(II) Lease Liabilities	-	47.09	(47.09)	-	80.44	(80.44)	-	-	-
(III) Trade Payables									
- Total Outstanding Due To Micro And Small Enterprises	748.16	747.86	0.30	671.16	632.18	38.98	-	742.72	4,245.50
- Total Outstanding Due To Other Than Micro And Small Enterprises	5,925.65	5,925.28	0.37	7,028.10	7,066.37	(38.27)	5,242.71	4,530.50	(4,276.01)
(IV) Other Financial Liabilities	496.78	2,539.21	(2,042.43)	709.59	3,020.14	(2,310.55)	1,894.47	2,102.78	(208.31)
(B) Other Current Liabilities	1,227.64	976.57	251.07	866.95	898.21	(31.26)	483.26	783.52	(300.26)
(D) Provisions	2,334.24	6,088.90	(3,754.66)	1,709.46	6,003.15	(4,293.69)	1,572.91	4,431.03	(2,858.12)
Total Current Liabilities	11,529.63	17,122.08	(5,592.45)	11,345.93	18,061.17	(6,715.24)	9,194.37	13,909.10	(4,714.73)
Total Liabilities	14,622.82	19,399.63	(4,776.81)	13,732.92	20,067.50	(6,334.58)	11,023.31	15,545.93	(4,522.62)
Total Equity And Liabilities	114,277.91	57,347.37	56,930.54	94,584.96	95,733.87	(1,148.91)	73,362.09	75,688.69	(2,326.60)

NOTES TO THE RESTATED CONSOLIDATED FINANCIAL INFORMATION
Note 58 (b) : Prior period restatement

(₹ in millions)

Particulars	As per Reported Financials For the year ended 31 March, 2021	As per Restated Financials For the year ended 31 March, 2021	Difference	As per Reported Financials For the year ended 31 March, 2020	As per Restated Financials For the year ended 31 March, 2020	Difference	As per Reported Financials For the year ended 31 March, 2019	As per Restated Financials For the year ended 31 March, 2019	Difference	Reasons
1. Income										
(A) Revenue From Operations	73,119.95	71,994.16	1,125.79	71,550.57	69,028.16	2,522.41	62,325.13	58,704.35	3,620.78	Earlier Cut off adjustments were not done basis terms of contracts, the same has been done now. Returns for expiries and saleable returns also not provided earlier. Also, actual expired goods returns earlier presented as other expense now netted off from sales. Remaining adjustments are not material. Further, pricing adjustments like chargebacks, medicaid etc. is provided on some different basis. Same has been rectified now.
(B) Other Income	5,906.50	5,500.68	405.82	3,264.44	3,593.17	(328.73)	2,230.76	4,424.63	(2,193.87)	Realised /Unrealised gain /(loss) on equity and debt mutual fund is earlier classified as FVTOCI, now same has been reclassified and considered as FVTPL. In Financial year 2019-20, there is a net loss recognised on an overall basis, hence regrouped to other expense.
										ECL model was not followed earlier. Now same has been followed and year wise charge/write-back presented as other expense/other income respectively.
Total Income	79,026.45	77,494.84	1,531.61	74,815.01	72,621.33	2,193.68	64,555.89	63,128.98	1,426.91	
2. Expenditure										
(I) Cost of Materials Consumed	15,915.62	15,786.57	129.05	16,343.99	16,315.90	28.09	18,280.30	15,361.05	2,919.25	R&D purchase which was classified as other expense in earlier period, now rectified in the restated financials. Also, inventory provisioning as mentioned in Inventory , also impacts the cost of materials consumed.
(II) Purchases of Stock-In-Trade	11,976.36	11,976.36	-	9,557.75	9,557.75	-	6,588.77	6,588.77	-	No Change
(III) Changes In Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress	(3,147.90)	(4,071.89)	923.99	(1,069.71)	(887.34)	(182.37)	683.87	507.98	175.89	Inventory cut off adjustments have been passed in the restated financials as the same was not considered in the financials due to which there is change in the value of inventory.
(IV) Employee Benefits Expense	12,856.45	12,826.34	30.11	11,587.02	11,589.69	(2.67)	8,702.84	9,892.57	(1,189.73)	The adjustments of inventory provisioning policy has been made in prior year financials to bring in line with current year R&D expense (₹ 1246.25 Million) earlier separately presented as other expense, now included in respective head. Salary is one of the big component in that. Remaining adjustment is not material to understand.
(V) Finance Costs	251.34	63.02	188.32	192.67	77.60	115.07	82.99	56.41	26.58	Failure to supply charges earlier grouped as finance cost is now regrouped to other expense.
(VI) Depreciation And Amortization Expense	1,098.78	1,344.00	(245.22)	977.01	1,304.21	(327.20)	932.21	1,229.36	(297.15)	Depreciation calculated on Single Shift basis earlier restated to Double and Triple Shift on Plants operating at Double and Triple Shift respectively.
(VII) Other Expenses	15,667.62	14,510.18	1,157.44	15,400.45	16,065.54	(665.09)	14,806.26	14,314.03	492.23	Certain expenses presented separately earlier , now netted off with revenue from operation.
										R&D expenses separately presented in the financials previously, now regrouped in respective head.
										True-up of failure to supply expense for all the earlier periods recognised as one time adjustments in FY 2021. Same is reclassified in respective years. There are other expenses which were not material.
										Penalties on delayed supplies earlier presented as finance cost, now regrouped to other expense.
Total Expenditure	54,618.27	52,434.58	2,183.69	52,989.18	54,023.35	(1,034.17)	50,077.24	47,950.17	2,127.07	
3. Profit Before Tax	24,408.18	25,060.26	(652.08)	21,825.83	18,597.98	3,227.85	14,478.65	15,178.81	(700.16)	
4. Tax Expenses										
(A) Current Tax	5,729.67	5,074.86	654.81	3,764.06	3,514.06	250.00	1,815.71	3,312.85	(1,497.14)	Consequential impact of adjustments made.
(B) Deferred Tax	157.57	(242.08)	399.65	(1,025.26)	(637.23)	(388.03)	(296.51)	(2,368.63)	2,072.12	Consequential impact of adjustments made.
Total Tax Expense	5,887.24	4,832.78	1,054.46	2,738.80	2,876.83	(138.03)	1,519.20	944.22	574.98	

NOTES TO THE RESTATED CONSOLIDATED FINANCIAL INFORMATION
Note 58 (b) : Prior period restatement

(₹ in millions)

Particulars	As per Reported Financials	As per Restated Financials	Difference	As per Reported Financials	As per Restated Financials	Difference	As per Reported Financials	As per Restated Financials	Difference	Reasons
	For the year ended 31 March, 2021	For the year ended 31 March, 2021		For the year ended 31 March, 2020	For the year ended 31 March, 2020		For the year ended 31 March, 2019	For the year ended 31 March, 2019		
5. Profit After Tax Before Share of Profit/(Loss) From Associates	18,520.94	20,227.48	(1,706.54)	19,087.03	15,721.15	3,365.88	12,959.45	14,234.59	(1,275.14)	Consequential impact of adjustments made.
6. Share of Profit/(Loss) From Associates	0.96	0.96	-	-	-	-	-	(0.02)	0.02	Consequential impact of adjustments made.
7. Profit For The Period/Year	18,521.90	20,228.44	(1,706.54)	19,087.03	15,721.15	3,365.88	12,959.45	14,234.57	(1,275.12)	
8. Profit For The Year Attributable To										
(A) Owners	18,499.50	20,206.04	(1,706.54)	19,041.31	15,675.42	3,365.89	12,931.95	14,205.23	(1,273.28)	Consequential impact of adjustments made.
(B) Non-Controlling Interest	22.40	22.40	-	45.73	45.73	-	27.43	29.34	(1.91)	Consequential impact of adjustments made.
Total	18,521.90	20,228.44	-1,706.54	19,087.04	15,721.15	3,365.89	12,959.38	14,234.57	-1,275.19	
9 .Other Comprehensive Income										
(A) (I) Items That Will Not Be Reclassified To Profit or Loss	333.22	(74.72)	407.94	(464.09)	(113.08)	(351.01)	2,554.31	(58.85)	2,613.16	Investments classified as FVTOCI earlier regrouped to FVTPL. Hence, gain/ (loss) on the same has been presented as other income and other expense respectively.
(II) Income Tax Relating to These Items	-	26.11	(26.11)	-	39.52	(39.52)	-	20.57	(20.57)	Certain Changes in classifications which are not identified to be material in nature.
(B) (I) Items That Will Be Reclassified To Profit or Loss	(52.00)	(96.11)	44.11	(109.67)	(123.98)	14.31	(282.01)	(204.81)	(77.20)	Certain Changes in classifications which are not identified to be material in nature.
Total Other Comprehensive Income/(Loss)	281.22	(144.72)	425.94	(573.76)	(197.54)	(376.22)	2,272.30	(243.09)	2,515.39	
10. Total Other Comprehensive Income Attributable To										
(A) Owners	305.98	(97.33)	403.31	(563.60)	(170.79)	(392.81)	2,282.34	(233.06)	2,515.40	Consequential impact of adjustments made.
(B) Non-Controlling Interests	4.65	(47.39)	52.04	(11.59)	(26.75)	15.16	(10.03)	(10.03)	-	Consequential impact of adjustments made.
Total Income For The Period/Year	18,803.12	20,083.72	(1,280.60)	18,513.28	15,523.61	2,989.67	15,231.68	13,991.48	1,240.20	

Note 59: Additional information as required, pursuant to Para 2 under Schedule III of the Companies Act, 2013 of the enterprises consolidated as Subsidiaries/Associates

(₹ in millions)																
Name of the entity in the Group	Net Assets i.e total assets minus total liabilities				Share in profit or loss				Share in other comprehensive Income				Share in total comprehensive income			
	30.09.2021		31.03.2021		30.09.2021		31.03.2021		30.09.2021		31.03.2021		30.09.2021		31.03.2021	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount	As % of total comprehensive income	Amount
Parent																
Macleods Pharmaceuticals Ltd	111.94%	49,400.95	111.89%	42,460.61	110.69%	7,062.41	109.58%	22,165.84	62.01%	-122.07	29.24%	-42.29	112.24%	6,940.34	110.16%	22,123.55
Indian Subsidiaries																
East and West Clothing Private Ltd	0.00%	-	0.00%	-	0.00%	-	0.00%	0.38	0.00%	-	-0.44%	0.63	0.00%	-	0.01%	1.01
Foreign Subsidiaries																
Macleods Pharmaceuticals SDN BHD - Malaysia	0.00%	(1.85)	0.00%	-0.18	-0.03%	-1.66	0.00%	-0.08	0.01%	-0.01	0.07%	-0.10	-0.03%	-1.67	0.00%	-0.18
Oxus Pharma Ltd - Nigeria	-0.01%	(4.41)	-0.01%	-2.59	-0.03%	-1.78	-0.01%	-2.75	0.02%	-0.03	-0.02%	0.03	-0.03%	-1.81	-0.01%	-2.72
Macleods Pharmaceuticals Philippines	0.03%	13.63	0.04%	15.12	-0.01%	-0.92	0.00%	-0.22	0.28%	-0.56	-0.13%	0.19	-0.02%	-1.49	0.00%	-0.04
Macleods Pharmaceuticals SA (PTY) Limited	0.13%	57.77	-0.08%	-29.84	2.02%	129.03	0.26%	52.22	21.04%	-41.42	76.39%	-110.47	1.42%	87.61	-0.29%	-58.25
Non Controlling Interest in Macleods Pharmaceuticals SA (PTY) Limited	0.06%	24.29	-0.03%	-12.80	0.86%	54.86	0.11%	22.40	9.03%	-17.77	32.78%	-47.40	0.60%	37.09	-0.12%	-25.00
Macleods Pharma Espana SLU	-0.04%	(16.78)	-0.08%	-30.96	0.23%	14.56	-0.04%	-7.22	0.19%	-0.38	0.57%	-0.83	0.23%	14.18	-0.04%	-8.05
Macleods Pharma UK LTD	-0.25%	(111.82)	-0.29%	-110.69	-0.03%	-1.80	-0.24%	-48.31	-0.34%	0.67	9.34%	-13.50	-0.02%	-1.13	-0.31%	-61.81
Macleods Pharmaceuticals Ltd LLC - Ukraine	-0.72%	(316.50)	-1.23%	-467.19	6.82%	435.12	-2.63%	-532.43	144.48%	-284.43	-96.33%	139.31	2.44%	150.69	-1.96%	-393.12
Macleods Pharma USA, Inc	-8.51%	(3,753.79)	-12.09%	-4,589.39	15.43%	984.34	-14.46%	-2,925.22	75.56%	-148.74	27.63%	-39.96	13.51%	835.60	-14.76%	-2,965.18
Indian Associates (Investment as per the equity method)																
Macleods Social Welfare Foundation	0.00%	0.01	0.00%	-0.08	0.00%	0.07	0.00%	-0.02	0.00%	-	0.00%	-	0.00%	0.07	0.00%	-0.02
Foreign Associates (Investment as per the equity method)																
PT Sampharindo Retroviral Indonesia	0.02%	7.95	0.00%	0.97	0.11%	6.98	0.00%	0.97	0.00%	-	0.00%	-	0.11%	6.98	0.00%	0.97
Makmed LLC, Russia	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Total Elimination/ Consolidation Adjustments	-2.65%	(1,168.06)	1.88%	714.76	-36.06%	-2,300.70	7.43%	1,502.88	-212.27%	417.88	20.90%	-30.22	-30.45%	-1,882.81	7.33%	1,472.67
Total	100.00%	44,131.39	100.00%	37,947.74	100.00%	6,380.51	100.00%	20,228.44	100.00%	-196.86	100.00%	-144.61	100.00%	6,183.65	100.00%	20,083.83

MACLEODS PHARMACEUTICALS LTD
NOTES TO THE RESTATED CONSOLIDATED FINANCIAL INFORMATION

Note 59: Additional information as required, pursuant to Para 2 under Schedule III of the Companies Act, 2013 of the enterprises consolidated as Subsidiaries/Associates

(₹ in millions)

Name of the entity in the Group	Net Assets i.e total assets minus total liabilities				Share in profit or loss				Share in other comprehensive Income				Share in total comprehensive income			
	31.03.2020		31.03.2019		31.03.2020		31.03.2019		31.03.2020		31.03.2019		31.03.2020		31.03.2019	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount	As % of total comprehensive income	Amount
Parent																
Macleods Pharmaceuticals Ltd	103.31%	78,172.11	101.63%	61,121.57	108.50%	17,057.79	101.09%	14,389.19	3.67%	-7.25	45.37%	-110.30	109.84%	17,050.54	102.05%	14,278.89
Indian Subsidiaries																
East and West Clothing Private Ltd	0.07%	54.52	0.09%	52.66	0.01%	2.27	0.02%	2.21	0.21%	-0.42	-0.06%	0.15	0.01%	1.85	0.02%	2.37
Foreign Subsidiaries																
Macleods Pharmaceuticals SDN BHD - Malaysia	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Oxus Pharma Ltd - Nigeria	0.00%	0.13	0.00%	-	-0.01%	-1.81	0.00%	-	0.01%	-0.01	0.00%	-	-0.01%	-1.82	0.00%	-
Macleods Pharmaceuticals Philippines	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Macleods Pharmaceuticals SA (PTY) Limited	0.04%	28.42	-0.03%	-15.80	0.68%	106.59	0.48%	68.40	31.57%	-62.37	9.62%	-23.39	0.28%	44.22	0.32%	45.01
Non Controlling Interest in Macleods Pharmaceuticals SA (PTY) Limited	0.02%	12.20	-0.01%	-6.78	0.29%	45.73	0.21%	29.34	13.54%	-26.75	4.13%	-10.04	0.12%	18.98	0.14%	19.30
Macleods Pharma Espana SLU	-0.03%	-22.91	-0.02%	-12.18	-0.06%	-9.41	-0.09%	-12.77	0.67%	-1.32	-0.16%	0.38	-0.07%	-10.72	-0.09%	-12.40
Macleods Pharma UK LTD	-0.06%	-48.89	-0.17%	-100.00	0.33%	51.55	0.93%	132.64	0.22%	-0.43	8.66%	-21.05	0.33%	51.11	0.80%	111.59
Macleods Pharmaceuticals Ltd LLC - Ukraine	-0.10%	-74.07	-0.27%	-160.41	0.21%	32.44	-0.16%	-22.90	-27.28%	53.90	26.40%	-64.17	0.56%	86.34	-0.62%	-87.07
Macleods Pharma USA, Inc	-2.15%	-1,624.21	-0.65%	-390.87	-6.86%	-1,078.46	-0.09%	-12.77	78.40%	-154.87	25.00%	-60.77	-7.94%	-1,233.33	-0.53%	-73.54
Indian Associates (Investment as per the equity method)																
Macleods Social Welfare Foundation	0.00%	0.01	0.00%	0.01	0.00%	-	0.00%	-0.02	0.00%	-	0.00%	-	0.00%	-	0.00%	-0.02
Foreign Associates (Investment as per the equity method)																
PT Sampharindo Retroviral Indonesia	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Makmed LLC, Russia	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Total Elimination/ Consolidation Adjustments	-1.10%	-830.94	-0.57%	-345.44	-3.09%	-485.54	-2.38%	-338.75	-1.00%	1.97	-18.96%	46.10	-3.12%	-483.57	-2.09%	-292.65
Total	100.00%	75,666.37	100.00%	60,142.76	100.00%	15,721.15	100.00%	14,234.57	100.00%	-197.55	100.00%	-243.09	100.00%	15,523.60	100.00%	13,991.48

MACLEODS PHARMACEUTICALS LIMITED**NOTES TO THE RESTATED CONSOLIDATED FINANCIAL INFORMATION****NOTE 60: EARNINGS PER SHARE (EPS)**

(₹ in millions)				
Particulars	For the six months ended 30 September, 2021	For the Year ended 31 March, 2021	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Profit after Tax as per Restated Statement of Profit and Loss	6,325.65	20,206.04	15,675.42	14,205.23
Weighted Average No. of Shares Outstanding*	598.82	598.82	598.82	598.82
Basic Earnings Per Share	10.56	33.74	26.18	23.72
Diluted Earnings Per Share	10.56	33.74	26.18	23.72

* Earnings Per Share is calculated after considering retrospective effect of Sub-Division of Shares and Issue of Bonus Shares in January, 2022 as per Ind AS 33: Earnings Per Share (Refer Note 61 below)

NOTE 61: SUBSEQUENT EVENTS

1) Pursuant to a resolution passed by the Board on September 27, 2021 and a resolution passed by the Shareholders dated November 15, 2021, each equity share of face value of ₹ 10 each has been sub-divided into 10 equity shares of face value of ₹ 1 each. Accordingly, the issued, subscribed and paid up capital of the Company was sub-divided from 19,960,680 equity shares of face value of ₹10 each to 199,606,800 equity shares of face value of ₹1 each.

2) The Board of Directors pursuant to a resolution dated November 15, 2021 and the Shareholders pursuant to a special resolution dated November 29, 2021 have approved the issuance of two bonus shares of face value ₹1 each for every one existing fully paid up equity share of face value ₹1 each and accordingly 399,213,600 bonus shares were issued.

3) Pursuant to the Scheme of Arrangement ("Scheme") between the Company and Agarwal Holdings Private Limited ("Resulting Company" or "AHPL"), the Downstream Investment Undertaking ("Demerged Undertaking") has been demerged from the Company to the Resulting Company with effect from opening of business hours of January 1, 2021 ("Appointed Date"). National Company Law Tribunal, Mumbai Bench ("NCLT Mumbai") had sanctioned the above Scheme on December 23, 2021 and accordingly, the Scheme became effective from that date. As per the Scheme, the assets and liabilities of the Company in relation to Downstream Investment Undertaking stands vested in and are transferred to Resulting Company from the Appointed Date i.e. January 1, 2021. Accordingly, the Company has recorded the demerger from the appointed date as prescribed in Scheme and as per General Circular no. 09/2019 issued by MCA dated August 21, 2019. The net value of assets and liabilities of the Demerged undertaking of ₹ 57,802.35 millions has been adjusted in the retained earnings of the Company. Board of Directors has discussed the accounting of the said scheme in their meeting dated 16 February 2021 and ensured that same is in line with the approved scheme. INC-28 is yet to be filed as on date of signing of Report.

4) Previous Year figures have been restated to give effect of the Scheme from the appointed date and are not comparable with current year figures.

MACLEODS PHARMACEUTICALS LIMITED

NOTES TO THE RESTATED CONSOLIDATED FINANCIAL INFORMATION

NOTE 62: AUTHORISATION OF FINANCIAL INFORMATION

The Restated Consolidated Financial Information were approved by the Board of Directors on 3 February 2022.

As per our Report of even date

For and on behalf of the Board of Directors of
Macleods Pharmaceuticals Limited

For B. A. K. D. & Co.
Chartered Accountants
(Registration No. 138880W)

For Walker Chandiok & Co LLP
Chartered Accountants
(Registration No. 001076N/N500013)

Girdharilal Bawri
Founder Executive Director
DIN - 00034197

Banwarilal Bawri
Founder Jt. Managing Director
DIN - 00017795

Anushree Agarwal
Partner
Membership No. : 163509

Bharat Shetty
Partner
Membership No. : 106815

Place : Mumbai
Date : 3 February 2022

Place : Mumbai
Date : 3 February 2022

Patri Venkat Raghavendra Rao
Chief Financial Officer

Siddhesh Rane
Company Secretary

PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

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Independent Practitioner's report on the compilation of Pro-forma Consolidated Financial Information to be included in the Draft Red Herring Prospectus ('DRHP') in connection with proposed Initial Public Offer of equity shares ('Proposed IPO') by Macleods Pharmaceuticals Limited

To,
The Board of Directors,
Macleods Pharmaceuticals Limited
Atlanta Arcade, Church Road,
Near Leela Hotel, Andheri-Kurla Road,
Andheri (East), Mumbai – 400 059, India

Dear Sirs,

1. We, Walker Chandiok & Co LLP, Chartered Accountants and B.A.K.D. & Co., Chartered Accountants (together referred to as 'we' or 'us') have completed our assurance engagement to report on the compilation of Pro-forma Consolidated Financial Information of **Macleods Pharmaceuticals Limited** (the 'Company') and its subsidiaries (the Company and its subsidiaries together referred to as 'the Group') and its associates, (Refer Annexure – I for the list of subsidiaries and associates included in the Pro-forma Consolidated Financial Information). The Pro-forma Consolidated Financial Information consists of the Pro-forma Consolidated Balance Sheet as at 30 September 2021, 31 March 2021, 31 March 2020 and 31 March 2019, the Pro-forma Consolidated Statement of Profit and Loss and the Pro-forma Consolidated Statement of Changes in Equity for the six months period ended 30 September 2021 and for the years ended 31 March 2021, 31 March 2020 and 31 March 2019 and related notes thereon (collectively referred as 'Pro-forma Consolidated Financial Information'). The applicable criteria on the basis of which the management has compiled the Pro-forma Consolidated Financial information are specified in the "Basis of preparation" paragraph as described in Note 1 and Note 2 to the Pro-forma Consolidated Financial Information.
2. The Pro-forma Consolidated Financial Information has been compiled by Management to illustrate the impact of a demerger of investment undertaking from the Group, as set out in Note 1 to the Pro-Forma Consolidated Financial Information, on the Group and its associate's financial position as at 30 September 2021, 31 March 2021, 31 March 2020 and 31 March 2019 and its financial performance for the six months period ended 30 September 2021 and for the years ended 31 March 2021, 31 March 2020 and 31 March 2019 as if the demerger had taken place at 1 April 2018, i.e. beginning of the earliest period presented.
3. As a part of this process, information about the Group and its associate's financial position and financial performance has been extracted by Management from the following financial statements / financial information:
 - a) Restated consolidated financial information of the Group and its associates as at and for the six months period ended 30 September 2021 and for the years ended 31 March 2021, 31 March 2020 and 31 March 2019 on which we have expressed an unmodified opinion in our examination report dated 03 February 2022;
 - b) Audited Consolidated Ind AS financial statements of the Group and its associates as at and for the years ended 31 March 2021, 31 March 2020 and 31 March 2019, on which Previous Auditor i.e. B.A.K.D. & Co. have issued unmodified audit opinions dated 18 August 2021, 14 December 2020 and 27 September 2019, respectively;

- c) Audited special purpose interim consolidated Ind AS financial statements of the Group and its associates as at and for the six months' period ended 30 September 2021 on which we have issued unmodified audit opinion dated 03 February 2022;

Management's Responsibility for the Pro-Forma Consolidated Financial Information

4. The Management is responsible for compiling the Pro-forma Consolidated Financial Information on the basis stated in Note 1 and Note 2 to the Pro-forma Consolidated Financial Information and the same has been approved by the Board of Directors of the Company. Management's responsibility includes the responsibility for designing, implementing and maintaining internal control relevant for compiling the Pro-forma Consolidated Financial Information on the basis stated in Note 1 and Note 2 to the Pro-forma Consolidated Financial Information, that is free from material misstatement, whether due to fraud or error. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities, including compliance with the provisions of the laws and regulations for the compilation of Pro-forma Consolidated Financial Information.

Practitioner's Responsibilities

5. Our responsibility is to express an opinion, about whether the Pro-forma Consolidated Financial Information of the Group and its associates has been compiled, in all material respects, by the Management, on the basis stated in Note 1 and Note 2 to the Pro-forma Consolidated Financial Information.
6. We conducted our engagement in accordance with Standard on Assurance Engagements (SAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the Institute of Chartered Accountants of India. This Standard requires that the practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Management has compiled, in all material respects, the Pro-forma Consolidated Financial Information on the basis stated in Note 1 and Note 2 to the Pro-forma Consolidated Financial Information.
7. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro-forma Consolidated Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro-forma Consolidated Financial Information. For this engagement, we have placed reliance on the audited financial statements / financial information as referred to in paragraph 3 above.
8. The purpose of Pro-forma Consolidated Financial Information included in a DRHP is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 1 April 2018 with consequential impact during the six months period ended 30 September 2021 and years ended 31 March 2021, 31 March 2020 and 31 March 2019 would have been as presented.
9. A reasonable assurance engagement to report on whether the Pro-forma Consolidated Financial Information has been compiled, in all material respects, on the basis stated in Note 1 and Note 2 to the Pro-forma Consolidated Financial Information, involves performing procedures to assess whether the applicable criteria used by the Management in the compilation of the Pro-forma Consolidated Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:
- The related Pro-forma adjustments give appropriate effect to those criteria; and
 - The Pro-forma Consolidated Financial Information reflects the proper application of those adjustments to the unadjusted financial information.
10. The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the Company, the event or transaction in respect of which the Pro-forma consolidated financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro-forma consolidated financial information. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

11. Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

12. In our opinion, the Pro-forma Consolidated Financial Information has been compiled, in all material respects, on the basis stated in Note 1 and Note 2 to the Pro-forma Consolidated Financial Information.

Restrictions on Use

13. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us or any other Chartered Accountants.
14. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
15. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with the Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and the Registrar of Companies, Mumbai, Maharashtra in connection with the Proposed IPO of the Company. 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

For **B.A.K.D. & Co.**
Chartered Accountants
Firm Registration No.: 138880W

Bharat Shetty
Partner
Membership No.: 106815

Anushree Agarwal
Partner
Membership No.: 163509

UDIN: 22106815ABIZXB7074

UDIN: 22163509ABBJKM9547

Place: Mumbai
Date: 09 February 2022

Place: Mumbai
Date: 09 February 2022

Annexure – I

List of entities included in the Pro-forma Consolidated Financial Information

Sr. No.	Entity Name	Status
1	Macleods Pharma UK Limited	Subsidiary Company
2	Macleods Pharmaceuticals SA (PTY) Ltd.	Subsidiary Company
3	Macleods Pharmaceuticals Limited, LLC	Subsidiary Company
4	Macleods Pharma USA, INC.	Subsidiary Company
5	Macleods Pharma Espana SLU	Subsidiary Company
6	Oxus Pharma Limited	Subsidiary Company
7	Macleods Pharmaceuticals SDN. BHD.	Subsidiary Company
8	Macleods Pharmaceuticals Philippines INC	Subsidiary Company
9	Macleods Social Welfare Foundation	Associate Company
10	PT Sampharindo Retroviral Indonesia	Associate Company
11	Makmed LLC #	Associate Company
12	Branch of Macleods Pharmaceuticals Limited at Kazakhstan	Branch of Company

Post 30 September 2021, Macleods Pharmaceuticals Limited has acquired further 55% shares from all other shareholders of Makmed LLC, as a result of which it is converted to wholly owned subsidiary (the 'WOS') of the Company, after the said acquisition.

Macleods Pharmaceuticals Limited													
Proforma Consolidated Balance Sheet													
(₹ in millions)													
		As at 30 September, 2021			As at 31 March, 2021			As at 31 March, 2020			As at 31 March, 2019		
Particulars	Notes	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total
Assets													
(1) Non-Current Assets													
(A) Property, Plant And Equipment	2A	14,158.61	-	14,158.61	13,407.70	-	13,407.70	10,176.80	(35.65)	10,141.15	9,375.18	(35.65)	9,339.53
(B) Capital Work-In-Progress	2B	2,796.07	-	2,796.07	2,527.54	-	2,527.54	2,106.07	-	2,106.07	503.79	-	503.79
(C) Investment Properties	2C	264.55	-	264.55	267.01	-	267.01	271.90	-	271.90	99.69	-	99.69
(D) Right-Of-Use Assets	2D	618.21	-	618.21	621.86	-	621.86	596.48	-	596.48	220.49	-	220.49
(E) Goodwill		-	-	-	-	-	-	28.40	(28.40)	-	28.40	(28.40)	-
(F) Intangible Assets	2E	50.95	-	50.95	56.65	-	56.65	64.20	-	64.20	54.64	-	54.64
(G) Intangible Assets Under Development	2F	14.89	-	14.89	-	-	-	-	-	-	-	-	-
(H) Investment In Equity Accounted Investees	3	235.02	-	235.02	103.45	-	103.45	102.49	-	102.49	0.01	-	0.01
(I) Financial Assets													
(I) Investments	4	43.56	-	43.56	43.56	-	43.56	9,355.02	(9,335.91)	19.11	7,995.69	(7,976.58)	19.11
(II) Loans	5	907.30	-	907.30	2.07	-	2.07	3.74	-	3.74	2.33	-	2.33
(III) Other Financial Assets	6	1,520.04	-	1,520.04	1,981.72	-	1,981.72	21,108.17	(21,049.99)	58.18	3,205.96	(2,918.11)	287.85
(J) Income Tax Assets (Net)	7	937.78	1,518.25	2,456.03	538.41	1,518.25	2,056.66	758.17	558.38	1,316.55	692.58	431.42	1,124.00
(K) Deferred Tax Assets	8	7,307.65	955.72	8,263.37	6,569.93	955.72	7,525.65	6,301.69	880.78	7,182.47	5,624.92	273.63	5,898.55
(L) Other Non-Current Assets	9	133.38	-	133.38	536.83	-	536.83	561.46	-	561.46	374.06	-	374.06
Total Non-Current Assets		28,988.01	2,473.97	31,461.98	26,656.73	2,473.97	29,130.70	51,434.59	(29,010.79)	22,423.80	28,177.74	(10,253.69)	17,924.05
(2) Current Assets													
(A) Inventories	10	16,803.71	-	16,803.71	15,625.51	-	15,625.51	9,879.12	-	9,879.12	8,355.58	-	8,355.58
(B) Financial Assets													
(I) Investments	11	6.41	-	6.41	6.44	-	6.44	8,598.96	(8,598.96)	-	6,069.02	(6,069.02)	-
(II) Trade Receivables	12	10,536.42	-	10,536.42	10,219.73	-	10,219.73	12,637.66	-	12,637.66	9,991.34	(5.09)	9,986.25
(III) Cash And Cash Equivalents	13	1,504.31	-	1,504.31	721.47	-	721.47	1,267.46	-	1,267.46	533.47	-	533.47
(IV) Loans	14	2.71	-	2.71	4.20	-	4.20	4.45	-	4.45	3.78	-	3.78
(V) Other Financial Assets	15	5,447.84	21,559.33	27,007.17	1,642.65	21,559.33	23,201.98	8,795.36	7,762.09	16,557.45	21,037.56	(12,410.68)	8,626.88
(C) Other Current Assets	16	2,869.22	-	2,869.22	2,470.64	-	2,470.64	3,116.27	(0.18)	3,116.09	1,520.20	(0.18)	1,520.02
Total Current Assets		37,170.62	21,559.33	58,729.95	30,690.64	21,559.33	52,249.97	44,299.28	(837.05)	43,462.23	47,510.95	(18,484.97)	29,025.98
Total Assets		66,158.63	24,033.30	90,191.93	57,347.37	24,033.30	81,380.67	95,733.87	(29,847.84)	65,886.03	75,688.69	(28,738.66)	46,950.03
See accompanying notes to the Proforma Consolidated Financial Information													
As per our Report of even date								For and on behalf of the Board of Directors of Macleods Pharmaceuticals Limited					
For B.A.K.D. & Co.		For Walker Chandio& Co LLP											
Chartered Accountants		Chartered Accountants											
(Registration No. 138880W)		(Registration No. 001076N/N500013)											
								Girdharilal Bawri			Banwarilal Bawri		
								Founder Executive Director			Founder Jt. Managing Director		
								DIN - 00034197			DIN - 00017795		
Anushree Agarwal		Bharat Shetty											
Partner		Partner											
Membership No. 163509		Membership No.106815											
								Patri Venkat Raghavendra Rao			Siddhesh Rane		
								Chief Financial Officer			Company Secretary		
Place: Mumbai		Place: Mumbai											
Date: 9 February 2022		Date: 9 February 2022											

Macleods Pharmaceuticals Limited													
Proforma Consolidated Balance Sheet													
(₹ in millions)													
		As at 30 September, 2021			As at 31 March, 2021			As at 31 March, 2020			As at 31 March, 2019		
Particulars	Notes	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total
Equity And Liabilities													
Equity													
(A) Equity Share Capital	17	199.61	-	199.61	199.61	-	199.61	199.61	-	199.61	199.61	-	199.61
(B) Other Equity	18A	43,907.48	24,033.30	67,940.78	37,760.91	24,033.30	61,794.21	75,454.55	(29,847.79)	45,606.76	59,949.91	(28,738.59)	31,211.32
Equity Attributable To Owners		44,107.09	24,033.30	68,140.39	37,960.52	24,033.30	61,993.82	75,654.16	(29,847.79)	45,806.37	60,149.52	(28,738.59)	31,410.93
Non-Controlling Interest	18B	24.30	-	24.30	(12.78)	-	(12.78)	12.21	-	12.21	(6.76)	-	(6.76)
Total Equity		44,131.39	24,033.30	68,164.69	37,947.74	24,033.30	61,981.04	75,666.37	(29,847.79)	45,818.58	60,142.76	(28,738.59)	31,404.17
Liabilities													
(1) Non-Current Liabilities													
(A) Financial Liabilities													
(I) Lease Liabilities	19	312.69	-	312.69	306.58	-	306.58	311.28	-	311.28	231.57	-	231.57
(II) Other Financial Liabilities	20	355.86	-	355.86	334.23	-	334.23	318.21	-	318.21	277.78	-	277.78
(B) Provisions	21	1,794.55	-	1,794.55	1,534.26	-	1,534.26	1,261.53	-	1,261.53	999.30	-	999.30
(C) Other Non-Current Liabilities	22	95.98	-	95.98	102.48	-	102.48	115.31	-	115.31	128.18	-	128.18
Total Non-Current Liabilities		2,559.08	-	2,559.08	2,277.55	-	2,277.55	2,006.33	-	2,006.33	1,636.83	-	1,636.83
(2) Current Liabilities													
(A) Financial Liabilities													
(I) Borrowings	23	464.30	-	464.30	797.17	-	797.17	360.68	-	360.68	1,318.55	-	1,318.55
(II) Lease Liabilities	24	41.44	-	41.44	47.09	-	47.09	80.44	-	80.44	-	-	-
(III) Trade Payables	25	-	-	-	-	-	-	-	-	-	-	-	-
- Total Outstanding Due To Micro And Small Enterprises		865.57	-	865.57	747.86	-	747.86	632.18	-	632.18	742.72	(0.04)	742.68
- Total Outstanding Due To Other Than Micro And Small Enterprises		7,626.06	-	7,626.06	5,925.28	-	5,925.28	7,066.37	(0.03)	7,066.34	4,530.50	-	4,530.50
(IV) Other Financial Liabilities	26	3,729.87	-	3,729.87	2,539.21	-	2,539.21	3,020.14	-	3,020.14	2,102.78	-	2,102.78
(B) Other Current Liabilities	27	1,108.70	-	1,108.70	976.57	-	976.57	898.21	(0.02)	898.19	783.52	(0.03)	783.49
(D) Provisions	28	5,632.22	-	5,632.22	6,088.90	-	6,088.90	6,003.15	-	6,003.15	4,431.03	-	4,431.03
Total Current Liabilities		19,468.16	-	19,468.16	17,122.08	-	17,122.08	18,061.17	(0.05)	18,061.12	13,909.10	(0.07)	13,909.03
Total Liabilities		22,027.24	-	22,027.24	19,399.63	-	19,399.63	20,067.50	(0.05)	20,067.45	15,545.93	(0.07)	15,545.86
Total Equity And Liabilities		66,158.63	24,033.30	90,191.93	57,347.37	24,033.30	81,380.67	95,733.87	(29,847.84)	65,886.03	75,688.69	(28,738.66)	46,950.03
See accompanying notes to the Proforma Consolidated Financial Information													
As per our Report of even date								For and on behalf of the Board of Directors of Macleods Pharmaceuticals Limited					
For B.A.K.D. & Co. Chartered Accountants (Registration No. 138880W)				For Walker Chandiok & Co LLP Chartered Accountants (Registration No. 001076N/N500013)				Girdharilal Bawri Founder Executive Director DIN - 00034197			Banwarilal Bawri Founder Jt. Managing Director DIN - 00017795		
Anushree Agarwal Partner Membership No. 163509				Bharat Shetty Partner Membership No. 106815				Patri Venkat Raghavendra Rao Chief Financial Officer			Siddhesh Rane Company Secretary		
Place: Mumbai Date: 9 February 2022				Place: Mumbai Date: 9 February 2022									

Macleods Pharmaceuticals Limited													
Proforma Consolidated Statement of Profit and Loss													
(₹ in millions)													
		For the six months Ended 30 September, 2021			For the Year Ended 31 March, 2021			For the Year Ended 31 March, 2020			For the Year Ended 31 March, 2019		
Particulars	Notes	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total
1. Income													
(A) Revenue From Operations	29	40,801.55		40,801.55	71,994.16		71,994.16	69,028.16	-	69,028.16	58,704.35	-	58,704.35
(B) Other Income	30	135.46	-	135.46	5,500.68	(4,658.01)	842.67	3,593.17	(2,571.40)	1,021.77	4,424.63	(4,025.17)	399.46
Total Income		40,937.01	-	40,937.01	77,494.84	(4,658.01)	72,836.83	72,621.33	(2,571.40)	70,049.93	63,128.98	(4,025.17)	59,103.81
2. Expenditure													
(I) Cost of Materials Consumed	31	11,493.96		11,493.96	15,786.57		15,786.57	16,315.90	-	16,315.90	15,361.05	-	15,361.05
(II) Purchases of Stock-In-Trade	32	5,813.74		5,813.74	11,976.36		11,976.36	9,557.75	-	9,557.75	6,588.77	-	6,588.77
(III) Changes In Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress	33	(1,418.85)		(1,418.85)	(4,071.89)		(4,071.89)	(887.34)	-	(887.34)	507.98	-	507.98
(Iv) Employee Benefits Expense	34	8,131.08		8,131.08	12,826.34		12,826.34	11,589.69	-	11,589.69	9,892.57	-	9,892.57
(V) Finance Costs	35	31.64		31.64	63.02		63.02	77.60	-	77.60	56.41	-	56.41
(Vi) Depreciation And Amortization Expense	36	798.23		798.23	1,344.00		1,344.00	1,304.21	-	1,304.21	1,229.36	-	1,229.36
(vii) Other Expenses	37	9,082.75		9,082.75	14,510.18	-	14,510.18	16,065.54	(856.56)	15,208.98	14,314.03	(1,368.98)	12,945.05
Total Expenditure		33,932.55		33,932.55	52,434.58	-	52,434.58	54,023.35	(856.56)	53,166.79	47,950.17	(1,368.98)	46,581.19
3. Profit Before Tax		7,004.46		7,004.46	25,060.26	(4,658.01)	20,402.25	18,597.98	(1,714.84)	16,883.14	15,178.81	(2,656.19)	12,522.62
4. Tax Expenses													
(A) Current Tax		1,324.14	-	1,324.14	5,074.86	(661.86)	4,413.00	3,514.06	(291.64)	3,222.42	3,312.85	(564.75)	2,748.10
(B) Deferred Tax / (Credit)		(692.60)	-	(692.60)	(242.08)	(74.89)	(316.97)	(637.23)	(314.00)	(951.23)	(2,368.63)	221.83	(2,146.80)
Total Tax Expense		631.54	-	631.54	4,832.78	(736.75)	4,096.03	2,876.83	(605.64)	2,271.19	944.22	(342.92)	601.30
5. Profit After Tax Before Share of Profit/(Loss) From Associates		6,372.92		6,372.92	20,227.48	(3,921.26)	16,306.22	15,721.15	(1,109.20)	14,611.95	14,234.59	(2,313.27)	11,921.32
6. Share of Profit/(Loss) From Associates		7.59		7.59	0.96		0.96	-	-	-	(0.02)	-	(0.02)
7. Profit For The Period/Year		6,380.51		6,380.51	20,228.44	(3,921.26)	16,307.18	15,721.15	(1,109.20)	14,611.95	14,234.57	(2,313.27)	11,921.30
8. Profit For The Period/Year Attributable To													
(A) Owners		6,325.65		6,325.65	20,206.04	(3,921.26)	16,284.78	15,675.43	(1,109.20)	14,566.23	14,205.23	(2,313.27)	11,891.96
(B) Non-Controlling Interest		54.86		54.86	22.40		22.40	45.72		45.72	29.34	-	29.34
Total		6,380.51		6,380.51	20,228.44	(3,921.26)	16,307.18	15,721.15	(1,109.20)	14,611.95	14,234.57	(2,313.27)	11,921.30
9 .Other Comprehensive Income													
(A) (I) Items That Will Not Be Reclassified To Profit or Loss		(129.13)		(129.13)	(74.72)		(74.72)	(113.08)		(113.08)	(58.85)		(58.85)
(II) Income Tax Relating to These Items		45.12		45.12	26.11		26.11	39.52		39.52	20.57		20.57
(B) (I) Items That Will Be Reclassified To Profit or Loss		(112.85)		(112.85)	(96.11)		(96.11)	(123.98)		(123.98)	(204.81)		(204.81)
(II) Income Tax Relating To These Items													
Total		(196.86)		(196.86)	(144.72)	-	(144.72)	(197.54)	-	(197.54)	(243.09)	-	(243.09)
Total Other Comprehensive Income/(Loss)													
10. Total Other Comprehensive Income Attributable To													
(A) Owners		(179.08)		(179.08)	(97.33)		(97.33)	(170.79)	-	(170.79)	(233.06)	10.03	(233.06)
(B) Non-Controlling Interests		(17.78)		(17.78)	(47.39)		(47.39)	(26.75)		(26.75)	(10.03)	(10.03)	(10.03)
Total Income For The Period/Year		6,183.65	-	6,183.65	20,083.72	(3,921.26)	16,162.46	15,523.61	(1,109.20)	14,414.41	13,991.48	(2,313.27)	11,678.21
11. Earning Per Equity Share of Face Value ₹ 1/- Each													
Basic (In Rs)	39			10.56			27.19			24.32			19.86
Diluted (In Rs)				10.56			27.19			24.32			19.86
See accompanying notes to the Proforma Consolidated Financial Information													
As per our Report of even date								For and on behalf of the Board of Directors of Macleods Pharmaceuticals Limited					
For B.A.K.D. & Co. Chartered Accountants (Registration No. 138880W)		For Walker Chandiook & Co LLP Chartered Accountants (Registration No.001076N/N500013)						Girdharilal Bawri Founder Executive Director			Banwarilal Bawri Founder Jt. Managing Director		
Anushree Agarwal Partner Membership No. 163509		Bharat Shetty Partner Membership No.106815						DIN - 00034197			DIN - 00017795		
Place: Mumbai Date: 9 February 2022		Place: Mumbai Date: 9 February 2022						Patri Venkat Raghavendra Rao Chief Financial Officer			Siddhesh Rane Company Secretary		

Macleods Pharmaceuticals Limited							
Proforma Consolidated Statement of Changes in Equity							
(₹ in millions)							
Particulars	Share Capital	General Reserve	Reserves and surplus Retained earnings	Other Comprehensive Income	Total	Non Controlling Interest	Total Other Equity
Balance at 1 April, 2018	199.61	3,502.05	42,874.03	(157.69)	46,218.39	(26.07)	46,391.93
Less: Transfer on account of demerger			(26,425.32)		(26,425.32)		(26,425.32)
Add: Profit during the year	-	-	11,891.96	-	11,891.96	29.34	11,921.30
Less: Dividend paid during the year	-	-	(199.62)	-	(199.62)	-	(199.62)
Less: Dividend tax on above	-	-	(41.03)	-	(41.03)	-	(41.03)
Remeasurement of employees benefit (net of tax)	-	-	(38.28)	-	(38.28)	-	(38.28)
Translation of foreign operation	-	-	-	(194.78)	(194.78)	(10.03)	(204.81)
Balance at 31 March, 2019	199.61	3,502.05	28,061.74	(352.47)	31,211.32	(6.76)	31,404.17
Add: Profit during the year	-	-	14,566.23	-	14,566.23	45.72	14,611.95
Remeasurement of employees benefit	-	-	(73.56)	-	(73.56)	-	(73.56)
Translation of foreign operation	-	-	-	(97.23)	(97.23)	(26.75)	(123.98)
Balance at 31 March, 2020	199.61	3,502.05	42,554.41	(449.70)	45,606.76	12.21	45,818.58
Add: Profit during the year	-	-	16,284.78	-	16,284.78	22.40	16,307.18
Remeasurement of employees benefit	-	-	(48.61)	-	(48.61)	-	(48.61)
Translation of foreign operation	-	-	-	(48.72)	(48.72)	(47.39)	(96.11)
Balance at 31 March, 2021	199.61	3,502.05	58,790.58	(498.42)	61,794.21	(12.78)	61,981.04
Add: Profit during the period	-	-	6,325.65	-	6,325.65	54.86	6,380.51
Remeasurement of employees benefit	-	-	(84.01)	-	(84.01)	-	(84.01)
Translation of foreign operation	-	-	-	(95.07)	(95.07)	(17.78)	(112.85)
Balance at 30 September, 2021	199.61	3,502.05	65,032.22	(593.49)	67,940.78	24.30	68,164.69
*Refer Note on Equity below							
See accompanying notes to the Proforma Consolidated Financial Information							
As per our Report of even date				For and on behalf of the Board of Directors of			
				Macleods Pharmaceuticals Limited			
For B.A.K.D. & Co.		For Walker Chandiok & Co LLP					
Chartered Accountants		Chartered Accountants					
(Registration No. 138880W)		(Registration No. 001076N/N500013)					
				Girdharilal Bawri		Banwarilal Bawri	
				Founder Executive Director		Founder Jt. Managing Director	
				DIN - 00034197		DIN - 00017795	
Anushree Agarwal		Bharat Shetty					
Partner		Partner					
Membership No. 163509		Membership No.106815					
				Patri Venkat Raghavendra Rao		Siddhesh Rane	
				Chief Financial Officer		Company Secretary	
Place: Mumbai		Place: Mumbai					
Date: 9 February 2022		Date: 9 February 2022					

Macleods Pharmaceuticals Limited**Notes to the Proforma Consolidated Financial Information****Note on Equity:**

As prescribed in the basis of preparation, Proforma Consolidated Financial Information is prepared assuming the appointed date of demerger is April 1, 2018 (earliest date of the first period presented). As per the NCLT approved scheme, the assets required to be transferred as on appointed date (defined below) should be adjusted in equity.

Hence, Total Equity as per this financial information in Proforma Financials is presented after adjusting the total net assets of investment undertaking Agarwal Holding Private Limited amounting to ₹ 26,921.87 million as of April 1, 2018 (assumed demerger date for Proforma Consolidated Financial Information).

Equity as per the restated consolidated financial information is presented after adjusting net assets of investment undertaking demerged to Agarwal Holdings Private Limited, amounting to ₹ 57,802.35 million as on January 1, 2021 (appointed date as per NCLT Order).

Difference between these two periods (i.e. deemed date of demerger for Proforma Financials being April 1 2018 and actual date of demerger as per NCLT order, (Appointed Date) 1 January 2021) is increase in the net assets pertaining to investment undertaking of ₹ 30,880.48 Million (₹ 57,802.35 Million- ₹ 26,921.87 Million).

Out of this increase in net assets for Agarwal Holdings Private Limited between these two dates ₹ 23,309.80 millions is contributed by additional net investments made between these two dates. This amount is part of the equity carved out in Restated Financials as on January 1 2021.

This additional investment is reflected as Receivables from Agarwal Holdings Private Limited as part of Other Financial Assets in Proforma Financials.

(₹ in millions)				
Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
Agarwal Holdings Private Limited	23,309.80	19,605.51	12,532.95	6,538.35

NOTES TO THE PROFORMA CONSOLIDATED FINANCIAL INFORMATION

Note 1: Company Information

Macleods Pharmaceuticals Limited (“MPL” or the “Company”) is one of the leading, organically grown vertically integrated global pharmaceutical company, engaged in the development, manufacture and marketing of pharmaceutical formulations.

The Company is a closely held public company domiciled in India and incorporated under the provisions of the erstwhile Companies Act, 1956. The address of its corporate office is 304, Atlanta Arcade, Marol Church Road, Andheri (East), Mumbai-400059.

The Company’s research and development facilities are located in the State of Maharashtra, India and Gujarat, India; its manufacturing facilities are located in the states/ territories of Maharashtra, Daman, Gujarat, Himachal Pradesh, Sikkim and in Special Economic Zone located at Indore, Madhya Pradesh.

The Group has its wide network of manufacturing, trading and other incidental operations in India and International markets.

Basis of preparation:

Pursuant to the Scheme of Arrangement (“Scheme”) between the Company and Agarwal Holdings Private Limited (“Resultant Company” or “AHPL”), the Downstream Investment Undertaking (“Demerged Undertaking”) has been demerged from the Company to the Resultant Company with effect from opening of business hours on January 1, 2021 (“Appointed Date”). National Company Law Tribunal, Mumbai Bench (“NCLT Mumbai”) had sanctioned the above Scheme on December 23, 2021. As per the Scheme, the assets and liabilities of the Company in relation to Downstream Investment Undertaking stands vested in and are transferred to Resultant Company from the Appointed Date i.e., January 1, 2021. Accordingly, the Company has recorded the demerger from the appointed date in the Restated Consolidated Financial Information. Copy of INC 28 is submitted to the Registrar of Companies (ROC) on February 4, 2021.

The pro-forma financial information has been prepared to demonstrate the effects of the said demerger on the Company’s financial information, including the results of operations and the financial position that would have resulted as if the said demerger would have taken place at the earliest date of the first period presented, i.e. 01 April 2018. Because of their nature, the pro-forma financial information addresses a theoretical situation and therefore, does not represent Company’s factual financial position or results. They purport to indicate the results of operations and the financial position that would have resulted had the said demerger been completed at the date prior to the first period presented but are not intended to be indicative of expected results or operations in the future periods or the future financial position of the Company.

The pro-forma financial information of the Company comprises of the pro-forma balance sheet as at 30 September 2021, 31 March 2021, 31 March 2020 and 31 March 2019 and the pro-forma statement of profit and loss for six months ended 30 September 2021, and years ended 31 March 2021, 31 March 2020 and 31 March 2019, read with the notes to the pro-forma financial information (hereinafter collectively referred as ‘Pro-forma financial information’).

NOTES TO THE PROFORMA CONSOLIDATED FINANCIAL INFORMATION

The pro-forma adjustments are based upon available information and assumptions that the management of the Company believes to be reasonable. Such pro-forma financial information has been prepared on the basis as stated in the following section “Pro-forma adjustments” and accordingly should not be relied upon as if it had been prepared in accordance with the generally accepted accounting principles in India.

In addition, the rules and regulations related to the preparation of pro-forma financial information in other jurisdictions may also vary significantly from the basis of preparation as set out in paragraphs below.

The pro-forma financial information for the period and years presented has been prepared by the management basis the below financial statements / financial information, prepared as per generally accepted accounting principles in India and after making the adjustments as detailed in the section “Pro-forma adjustments”

- Audited Restated Ind AS consolidated financial information of the Group and its associates as at and for the six months period ended 30 September 2021 and for the years ended 31 March 2021, 31 March 2020 and 31 March 2019;
- Audited consolidated Ind AS financial statements of the Group and its associates as at and for the years ended 31 March 2021, 31 March 2020 and 31 March 2019;
- Audited special purpose interim consolidated Ind AS financial statements of the Group and its associates as at and for the six months period ended 30 September 2021;

Further, the pro-forma financial information for the period and years presented consists of three columns wherein:

- (a) Column 1 represents Audited Restated Ind AS consolidated financial Information of the Group and its associates
- (b) Column 2 represents pro-forma adjustments as mentioned in Note 2 below
- (c) Column 3 represents difference of ‘a’ and ‘b’ above i.e Proforma Ind AS consolidated financial information of the Group and its associates.

Note 2: Pro-forma adjustments

The pro-forma adjustments mainly pertain to investment division of the Group, as mentioned above. The relevant information (including income, expenses, assets and liabilities attributable to the Investment division) has been extracted from the Parent Company’s standalone and consolidated financial information system. These pro-forma adjustments have been made assuming the said demerger took place with effect from 01st April 2018.

NOTES TO THE PROFORMA CONSOLIDATED FINANCIAL INFORMATION

a) Investment in Mutual Funds

Closing balance pertaining to all the investments in mutual funds, outstanding as of the respective period/year end has been eliminated from Pro-forma Ind AS consolidated financial information. Gains/ losses (realised and unrealised) relating to these investments has also been carved out from the Pro-forma Ind AS consolidated financial information.

b) Investment in Perpetual bonds

Closing balance pertaining to all the perpetual bonds' investments outstanding as of the respective period/year end has been eliminated from Pro-forma Ind AS consolidated financial information. Interest income during the respective period /year and interest receivable outstanding as of the respective period / year end relating to these investments has also been carved out from the Pro-forma Ind AS consolidated financial information.

c) Investment in Fixed deposits

While filing the Scheme, Company has proposed to retain few fixed deposits as of the appointed date i.e., 01 January 2021. Thereafter, new investments made are bifurcated between investments of the Company and investments made on behalf of the resultant company. Closing balance pertaining to all the fixed deposits except those retained by the Parent Company, outstanding as of the respective period/year end has been eliminated from Pro-forma Ind AS consolidated financial information. Interest income during the respective period /year, interest receivable outstanding as of the respective period / year end along with tax assets (i.e., TDS deducted on the interest earned) relating to these fixed deposits has also been carved out from the Pro-forma Ind AS consolidated financial information.

d) Investment in East and West Clothing Private Limited

As per the Scheme filed, Company has also proposed to transfer the investment in its domestic subsidiary, namely East and West Clothing Private Limited (EWCPL) to Agarwal Holdings Private Limited. All the assets and liabilities included in the Ind AS consolidated financial statements of the Group, pertaining to EWCPL for the respective period/years has been eliminated from the Pro-forma Ind AS consolidated financial information.

e. Transition service cost

Subsequent to the said demerger, the Company will be receiving payment from the resultant company towards transition services provided by the Parent Company in relation to the use of common facilities such as office premises, IT resources, housekeeping, security services etc. There are some common costs (employee cost, etc) which Company has incurred to manage activities of investment division. The transition services cost along with common cost as mentioned above is not considered material for allocation to investment division/undertaking.

NOTES TO THE PROFORMA CONSOLIDATED FINANCIAL INFORMATION

f. Tax expenses

Tax expense is determined for the Pharma business (after carving out said investment division) as if the Pharma business is a separate taxable entity from the beginning of the first period presented. Hence, Pro-forma Ind AS consolidated financial information is taken as a base to compute the tax expense and related tax liabilities for the Pharma business. Adjustment has also been made to the deferred taxes considering the adjustments made in the historical financial information.

(Note: The net accumulated impact of the pro-forma adjustments made as of 01 April 2018 (i.e. the beginning of the first period presented) is adjusted from the opening equity (i.e. equity as of 01 April 2018) in the Pro-forma Ind AS consolidated financial Information. The movement thereafter between each category of investments along with income and cost associated with these investments which are carved out from Pro-forma Ind AS consolidated financial information in each year/period is considered as net receivable/payable from the resultant company.

Note 2A: Property, Plant and Equipment

(₹ in millions)

Particulars	Freehold Land	Leasehold Land	Factory Buildings	Buildings	Plant & Equipment	Laboratory Equipments	IPQA Process Equipments	Furniture & Fixtures	Bus & Other Vehicles	Vehicles	Office Equipments	Computers	Electrical Installations & Equipments	Total
Gross Block														
Balance as at 1 April 2018	79.28	569.81	3,423.94	892.57	6,358.78	1,683.01	63.86	453.00	15.95	123.37	134.56	81.90	653.73	14,533.76
Additions for the Year	13.92	154.92	71.09	143.17	395.89	192.27	1.06	44.72	2.49	52.88	13.06	8.23	15.88	1,109.58
Disposals during the Year	-	-	(2.29)	(0.27)	(59.70)	(69.46)	(0.04)	(0.11)	-	(16.77)	(2.13)	-	(2.91)	(153.68)
Adjustment during the Year	(0.24)	-	-	(35.41)	-	-	-	(0.01)	-	(0.15)	(0.01)	(0.05)	-	(35.87)
Balance as at 31 March 2019	92.96	724.73	3,492.74	1,000.06	6,694.97	1,805.82	64.88	497.60	18.44	159.33	145.48	90.08	666.70	15,453.79
Additions for the Year	14.68	1,049.97	336.85	22.70	466.18	426.23	3.36	48.84	2.09	41.50	26.14	13.86	51.86	2,504.26
Disposals during the Year	-	(223.63)	(2.35)	-	(146.00)	(48.78)	-	(2.83)	(1.46)	-	(0.22)	(0.02)	(0.04)	(425.33)
Adjustment during the Year	-	-	-	-	-	-	-	(0.01)	-	(0.11)	(0.01)	(0.04)	-	(0.17)
Less: Transfer to Investment Properties	-	-	-	(180.23)	-	-	-	-	-	-	-	-	-	(180.23)
Balance as at 31 March 2020	107.64	1,551.07	3,827.24	842.53	7,015.15	2,183.27	68.24	543.60	19.07	200.72	171.39	103.88	718.52	17,352.32
Additions for the Year	516.98	-	1,179.89	372.88	1,823.42	416.00	36.18	79.98	-	17.52	42.07	11.77	176.89	4,673.58
Disposals during the Year	-	-	(4.26)	(0.61)	(69.93)	(213.59)	-	(1.58)	-	(0.57)	(2.62)	(0.31)	(1.71)	(295.18)
Adjustment during the Year	-	-	-	-	-	-	-	-	-	-	-	0.01	-	0.01
Balance as at 31 March 2021	624.62	1,551.07	5,002.87	1,214.80	8,768.64	2,385.68	104.42	622.00	19.07	217.67	210.84	115.35	893.70	21,730.73
Additions for the Period	28.78	1.92	342.48	103.52	524.78	260.29	1.63	44.75	1.08	44.68	24.13	8.45	169.75	1,556.24
Disposals during the Period	-	-	(1.50)	(1.38)	(25.65)	(84.99)	-	(2.56)	-	-	(1.25)	(1.02)	(0.96)	(119.31)
Adjustment during the Period	-	-	-	-	-	-	-	-	-	-	-	0.03	-	0.03
Balance as at 30 September 2021	653.40	1,552.99	5,343.85	1,316.94	9,267.77	2,560.98	106.05	664.19	20.15	262.35	233.72	122.81	1,062.49	23,167.69
Accumulated Depreciation														-
Accumulated Balance as at 1 April 2018	-	6.45	469.43	68.27	2,942.94	757.61	10.73	270.58	12.54	71.50	95.18	70.31	265.71	5,041.25
Depreciation Charge for the Year	-	23.04	110.51	14.37	689.96	160.32	6.12	38.47	1.51	21.45	15.28	7.38	56.43	1,144.84
Disposals during the Year	-	-	(0.51)	-	(29.36)	(22.01)	(0.01)	-	-	(15.57)	(1.84)	-	(2.31)	(71.61)
Adjustment during the Year	-	-	-	-	-	-	-	(0.01)	-	(0.15)	(0.01)	(0.05)	-	(0.22)
Accumulated Balance as at 31 March 2019	-	29.49	579.43	82.64	3,603.54	895.92	16.84	309.04	14.05	77.23	108.61	77.64	319.83	6,114.26
Depreciation Charge for the Year	-	19.09	117.97	13.71	746.85	163.43	6.63	34.40	1.16	21.82	15.22	8.95	54.30	1,203.53
Disposals during the Year	-	-	(0.46)	-	(76.60)	(16.78)	-	(2.28)	(1.46)	-	(0.20)	(0.02)	(0.03)	(97.83)
Adjustment during the Year	-	-	-	-	-	-	-	-	-	(0.11)	-	(0.04)	-	(0.15)
Less: Transfer to Investment Properties	-	-	-	(8.64)	-	-	-	-	-	-	-	-	-	(8.64)
Accumulated Balance as at 31 March 2020	-	48.58	696.94	87.71	4,273.79	1,042.57	23.47	341.16	13.75	98.94	123.63	86.53	374.10	7,211.17
Depreciation Charge for the Year	-	12.65	139.40	13.90	706.03	186.70	8.36	40.91	1.13	25.27	17.48	10.44	63.94	1,226.21
Disposals during the Year	-	-	(0.20)	(0.02)	(22.33)	(96.79)	-	(0.45)	-	(0.57)	(0.37)	(0.02)	(0.02)	(120.77)
Adjustment during the Year	-	6.41	-	-	-	-	-	-	-	-	-	0.01	-	6.42
Accumulated Balance as at 31 March 2021	-	67.64	836.14	101.59	4,957.49	1,132.48	31.83	381.62	14.88	123.64	140.74	96.96	438.02	8,323.03
Depreciation Charge for the Period	-	9.53	88.90	8.71	427.30	104.37	5.27	21.86	0.51	12.42	12.40	6.19	41.01	738.47
Disposals during the Period	-	-	(0.05)	-	(6.58)	(43.14)	-	(0.97)	-	-	(0.50)	(1.01)	(0.18)	(52.43)
Adjustment during the Period	-	-	-	-	-	-	-	-	-	-	-	0.01	-	0.01
Balance as at 30 September 2021	-	77.17	924.99	110.30	5,378.21	1,193.71	37.10	402.51	15.39	136.06	152.64	102.15	478.85	9,009.08
Net Block														
As at 31 March 2019	92.96	695.24	2,913.31	917.42	3,091.43	909.90	48.04	188.56	4.39	82.10	36.87	12.44	346.87	9,339.53
As at 31 March 2020	107.64	1,502.49	3,130.30	754.82	2,741.36	1,140.70	44.77	202.44	5.32	101.78	47.76	17.35	344.42	10,141.15
As at 31 March 2021	624.62	1,483.43	4,166.73	1,113.21	3,811.15	1,253.20	72.59	240.38	4.19	94.03	70.10	18.39	455.68	13,407.70
As at 30 September 2021	653.40	1,475.82	4,418.86	1,206.64	3,889.56	1,367.27	68.95	261.68	4.76	126.29	81.08	20.66	583.64	14,158.61

Macleods Pharmaceuticals Limited
Notes to the Proforma Consolidated Financial Information

Note 2B: Capital Work-in-Progress

(₹ in millions)

Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
Opening Balance	2,527.54	2,106.07	503.79	270.37
Additions during the Period/Year	277.36	527.98	1,652.53	246.21
Capitalised during the Period/Year	(8.83)	(106.51)	(50.25)	(12.79)
Closing Balance	2,796.07	2,527.54	2,106.07	503.79

Note 2C: Investment Properties

Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
Gross Block				
Opening Balance	293.72	293.72	107.97	107.97
Transfer from Property, Plant and Equipment	-	-	180.23	-
Additions during the Period/Year	-	-	5.52	-
Adjustment during the Period/Year	(0.02)	-	-	-
Closing Balance	293.70	293.72	293.72	107.97
Accumulated Depreciation				
Opening Balance	26.71	21.82	8.28	6.58
Transfer from Property, Plant and Equipment	-	-	8.64	-
Depreciation for the Period/Year	2.44	4.89	4.90	1.70
Closing Balance	29.15	26.71	21.82	8.28
Net Block	264.55	267.01	271.90	99.69

Note 2F: Intangible Assets under Development

Particulars	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
Opening Balance	-	-	-	-
Additions during the Period/Year	14.89	-	-	-
Capitalised during the Period/Year	-	-	-	-
Closing Balance	14.89	-	-	-

Macleods Pharmaceuticals Limited
Notes to the Proforma Consolidated Financial Information

Note 2D: Right-Of-Use Assets			(₹ in millions)
Particulars	Leasehold Land	Buildings	Total
Gross Block			
Balance as at 1 April 2018	-	-	-
Additions for the Year	-	269.09	269.09
Disposals during the Year	-	-	-
Adjustment during the Year	-	-	-
Balance as at 31 March 2019	-	269.09	269.09
Additions for the Year	293.02	156.48	449.50
Disposals during the Year	-	-	-
Adjustment during the Year	-	-	-
Balance as at 31 March 2020	293.02	425.57	718.59
Additions for the Year	92.62	27.15	119.77
Disposals during the Year	-	(0.15)	(0.15)
Adjustment during the Year	-	(0.40)	(0.40)
Balance as at 31 March 2021	385.64	452.17	837.81
Additions for the Period	-	44.64	44.64
Disposals during the Period	-	-	-
Adjustment during the Period	-	1.65	1.65
Balance as at 30 September 2021	385.64	498.46	884.10
Accumulated Depreciation			
Balance as at 1 April 2018	-	-	-
Additions for the Year	-	48.60	48.60
Disposals during the Year	-	-	-
Adjustment during the Year	-	-	-
Balance as at 31 March 2019	-	48.60	48.60
Additions for the Year	2.97	70.54	73.51
Disposals during the Year	-	-	-
Adjustment during the Year	-	-	-
Balance as at 31 March 2020	2.97	119.14	122.11
Additions for the Year	3.89	89.95	93.84
Disposals during the Year	-	-	-
Adjustment during the Year	-	-	-
Balance as at 31 March 2021	6.86	209.09	215.95
Additions for the Period	1.48	48.46	49.94
Disposals during the Period	-	-	-
Adjustment during the Period	-	-	-
Balance as at 30 September 2021	8.34	257.55	265.89
Net Block			
As at 31 March 2019	-	220.49	220.49
As at 31 March 2020	290.05	306.43	596.48
As at 31 March 2021	378.78	243.08	621.86
As at 30 September 2021	377.30	240.91	618.21

Macleods Pharmaceuticals Limited
Notes to the Proforma Consolidated Financial Information

Note 2E: Intangible Assets

(₹ in millions)

Particulars	Computer Software	Software Assets-Plant	Trade Marks & Patents	Development Expenses	Total
Gross Block					
Balance as at 1 April 2018	41.86	22.17	5.39	147.90	217.32
Additions for the Year	9.04	0.58	-	-	9.62
Disposals during the Year	-	-	-	(3.08)	(3.08)
Adjustment during the Year	-	-	-	-	-
Balance as at 31 March 2019	50.90	22.75	5.39	144.82	223.86
Additions for the Year	36.00	-	-	4.35	40.35
Disposals during the Year	(0.05)	-	-	(8.47)	(8.52)
Adjustment during the Year	-	-	-	-	-
Balance as at 31 March 2020	86.85	22.75	5.39	140.70	255.69
Additions for the Year	11.54	-	-	8.47	20.01
Disposals during the Year	-	-	-	(8.50)	(8.50)
Adjustment during the Year	-	-	-	-	-
Balance as at 31 March 2021	98.39	22.75	5.39	140.67	267.20
Additions for the Period	2.41	-	-	-	2.41
Disposals during the Period	-	-	-	(0.73)	(0.73)
Adjustment during the Period	-	-	-	-	-
Balance as at 30 September 2021	100.80	22.75	5.39	139.94	268.88
Accumulated Depreciation					
Balance as at 1 April 2018	22.93	6.34	4.43	107.44	141.14
Additions for the Year	7.02	1.39	0.96	24.85	34.22
Disposals during the Year	-	-	-	(6.14)	(6.14)
Adjustment during the Year	-	-	-	-	-
Balance as at 31 March 2019	29.95	7.73	5.39	126.15	169.22
Additions for the Year	9.32	1.52	-	11.43	22.27
Disposals during the Year	-	-	-	-	-
Adjustment during the Year	-	-	-	-	-
Balance as at 31 March 2020	39.27	9.25	5.39	137.58	191.49
Additions for the Year	13.80	1.52	-	3.74	19.06
Disposals during the Year	-	-	-	-	-
Adjustment during the Year	-	-	-	-	-
Balance as at 31 March 2021	53.07	10.77	5.39	141.32	210.55
Additions for the Period	6.62	0.76	-	-	7.38
Disposals during the Period	-	-	-	-	-
Adjustment during the Period	-	-	-	-	-
Balance as at 30 September 2021	59.69	11.53	5.39	141.32	217.93
Net Block					
As at 31 March 2019	20.95	15.02	-	18.67	54.64
As at 31 March 2020	47.58	13.50	-	3.12	64.20
As at 31 March 2021	45.32	11.98	-	(0.65)	56.65
As at 30 September 2021	41.11	11.22	-	(1.38)	50.95

3: INVESTMENT IN EQUITY ACCOUNTED INVESTEEES

Particulars	As at 30 September, 2021			As at 31 March, 2021			As at 31 March, 2020			As at 31 March, 2019		
	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total
	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3
(Carrying Amount Determined Using Equity Method Of Accounting)												
Unquoted Equity Instruments												
- Macleods Social Welfare Foundation (Number of shares as on 30 September, 2021- 4,900, 31 March, 2021 - 4,900, 31 March, 2020 - 4,900, 31 March, 2019 - 4900)	0.09	-	0.09	0.00		0.00	0.01		0.01	0.01		0.01
- Makmed LLC (Percentage of shares as on 30 September, 2021- 45%, 31 March, 2021 - 45%, 31 March, 2020 - NIL, 31 March, 2019 - NIL)	0.01	-	0.01	0.01		0.01	-		-	-		-
- PT Sampharindo Retroviral Indonesia (Refer Note below) (Number of shares as on 30 September, 2021- 44,100, 31 March, 2021 - 19,800, 31 March, 2020 - 19,800, 31 March, 2019 - NIL)	234.92	-	234.92	103.44		103.44	102.48		102.48			-
						-						
Total	235.02	-	235.02	103.45	-	103.45	102.49	-	102.49	0.01	-	0.01

4: Non Current Investments

Particulars	As at 30 September, 2021			As at 31 March, 2021			As at 31 March, 2020			As at 31 March, 2019		
	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total
	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3
Perpetual Bonds Carried at Amortised Cost	-	-	-	-	-	-	9,335.91	(9,335.91)	-	7,976.58	(7,976.58)	-
Other Investments Carried at Amortised Cost	43.56		43.56	43.56		43.56	19.11		19.11	19.11		19.11
Total	43.56	-	43.56	43.56	-	43.56	9,355.02	(9,335.91)	19.11	7,995.69	(7,976.58)	19.11
Aggregate Book Value (Carrying Value) Of Investment	43.56		43.56	43.56		43.56	9,355.02	(9,335.91)	19.11	7,995.69	(7,976.58)	19.11

5: Non Current Loans

Particulars	As at 30 September, 2021			As at 31 March, 2021			As at 31 March, 2020			As at 31 March, 2019		
	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total
	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3
(Carried at Amortised Cost)												
Loans To Related Party												
Unsecured, Considered Good	902.63		902.63	-		-	-		-	-		-
Loans To Employees												
Unsecured, Considered Good	4.67		4.67	2.07		2.07	3.74		3.74	2.33		2.33
Total	907.30	-	907.30	2.07	-	2.07	3.74	-	3.74	2.33	-	2.33

6: Non Current Other Financial Assets

Particulars	As at 30 September, 2021			As at 31 March, 2021			As at 31 March, 2020			As at 31 March, 2019		
	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total
	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3
(Unsecured Considered Good, Carried at Amortised Cost)												
Security Deposits	59.80	-	59.80	46.40	-	46.40	58.58	(0.40)	58.18	62.76	(0.40)	62.36
Fixed Deposits With Bank	861.74	-	861.74	1,435.32	-	1,435.32	21,049.59	(21,049.59)	-	2,948.05	(2,917.71)	30.34
Fixed Deposits With Non-Banking Financial Company	598.50	-	598.50	500.00	-	500.00	-		-	-		-
Capital Subsidiary Receivable	-	-	-	-	-	-	-		-	195.15		195.15
Total	1,520.04	-	1,520.04	1,981.72	-	1,981.72	21,108.17	(21,049.99)	58.18	3,205.96	(2,918.11)	287.85

Bank Deposit of ₹ 620.73 millions (September 30, 2021- 620.73 millions, March 31, 2021 - Nil, March 31, 2020 - Nil, March 31, 2019 - Nil) has been kept lien against Bank Overdraft

7: Income Tax Assets (Net)

Particulars	As at 30 September, 2021			As at 31 March, 2021			As at 31 March, 2020			As at 31 March, 2019		
	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total
	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3
Advance Tax	23,834.63	-	23,834.63	21,634.87	-	21,634.87	16,821.65	(298.01)	16,523.64	13,251.23	(133.33)	13,117.90
Provision For Taxation	(22,896.85)	1,518.25	(21,378.60)	(21,096.46)	1,518.25	(19,578.21)	(16,063.48)	856.39	(15,207.09)	(12,558.65)	564.75	(11,993.90)
Income Tax Asset/(Liability) (Net)	937.78	1,518.25	2,456.03	538.41	1,518.25	2,056.66	758.17	558.38	1,316.55	692.58	431.42	1,124.00

8: Deferred Tax Assets

Particulars	As at 30 September, 2021			As at 31 March, 2021			As at 31 March, 2020			As at 31 March, 2019		
	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total
	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3
Deferred Tax Asset/(Liabilities) (Opening)	762.93		762.93	323.71	(243.71)	80.00	(9.78)	55.05	45.27	(771.21)	495.54	(275.67)
Add : (Provision)/Accrual For Deferred Tax Asset/(Liability) During The Period / Year (net)	(3.62)		(3.62)	439.22	243.71	682.93	333.49	(298.76)	34.73	761.43	(440.49)	320.94
Deferred Tax Asset/(Liabilities) (Closing)	759.31	-	759.31	762.93	-	762.93	323.71	(243.71)	(80.00)	(9.78)	55.05	45.27
 Mat Credit Entitlement (Opening)	 5,807.00	 955.72	 6,762.72	 5,977.98	 1,124.49	 7,102.47	 5,634.70	 218.58	 5,853.28	 4,006.94	 -	 4,006.94
Add : Mat Credit Available/(Reversal) During The Period/Year	741.34	-	741.34	(170.98)	(168.77)	(339.75)	343.28	905.91	1,249.19	1,627.76	218.58	1,846.34
Mat Credit Entitlement (Closing)	6,548.34	955.72	7,504.06	5,807.00	955.72	6,762.72	5,977.98	1,124.49	7,102.47	5,634.70	218.58	5,853.28
Total	7,307.65	955.72	8,263.37	6,569.93	955.72	7,525.65	6,301.69	880.78	7,182.47	5,624.92	273.63	5,898.55

9: Other Non Current Assets:

Particulars	As at 30 September, 2021			As at 31 March, 2021			As at 31 March, 2020			As at 31 March, 2019		
	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total
	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3
(Unsecured Considered Good)												
Capital Advances	76.47		76.47	476.68		476.68	460.82		460.82	220.97		220.97
Prepaid Expenses	4.36		4.36	3.71		3.71	2.59		2.59	3.13		3.13
Balance With Govt. Department *	52.55		52.55	56.44		56.44	98.05		98.05	149.96		149.96
Total	133.38	-	133.38	536.83	-	536.83	561.46	-	561.46	374.06	-	374.06

* Includes Balance Of Goods And Service Tax.

10: Inventories

Particulars	As at 30 September, 2021			As at 31 March, 2021			As at 31 March, 2020			As at 31 March, 2019		
	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total
	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3
Lower of Cost or Net Realisable Value												
Raw Materials And Packing Materials	6,050.58	-	6,050.58	6,289.55	-	6,289.55	4,612.16	-	4,612.16	3,986.25	-	3,986.25
Work- In- Progress	1,478.07		1,478.07	1,261.03		1,261.03	969.45		969.45	796.62		796.62
Finished Goods	7,042.22		7,042.22	3,515.56		3,515.56	2,737.94		2,737.94	2,249.16		2,249.16
Stock- In- Trade	2,195.80		2,195.80	4,520.65		4,520.65	1,517.96		1,517.96	1,292.23		1,292.23
Consumables	37.04		37.04	38.72		38.72	41.61		41.61	31.32		31.32
Total	16,803.71	-	16,803.71	15,625.51	-	15,625.51	9,879.12	-	9,879.12	8,355.58	-	8,355.58

Inventories of ₹ 286.51 (net) has been Written Down as on September 30, 2021 (March 31, 2021 - 145.30, March 31, 2020 - 161.40, March 31, 2019 - 41.81)

11: Current Investments

Particulars	As at 30 September, 2021			As at 31 March, 2021			As at 31 March, 2020			As at 31 March, 2019		
	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total
	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3
Investment In Mutual Fund and Exchange Traded Fund (Carried at FVTPL)	-	-	-	-	-	-	1,874.44	(1,874.44)	-	1,839.34	(1,839.34)	-
Investment In Perpetual Bond (Carried at Amortised Cost)	-	-	-	-	-	-	500.32	(500.32)	-	1,101.60	(1,101.60)	-
Liquid Fund (Carried at Amortised Cost)	-	-	-	-	-	-	2,716.94	(2,716.94)	-	-	-	-
Investments In Equity Share (Carried at FVTPL)	6.41	-	6.41	6.44	-	6.44	3,507.26	(3,507.26)	-	3,128.08	(3,128.08)	-
Total	6.41	-	6.41	6.44	-	6.44	8,598.96	(8,598.96)	-	6,069.02	(6,069.02)	-
Aggregate Amount of Quoted Investments	-	-	-	-	-	-	8,098.64	(8,098.64)	-	4,967.42	(4,967.42)	-
Aggregate Market Value of Quoted Investments	-	-	-	-	-	-	8,098.64	(8,098.64)	-	4,967.42	(4,967.42)	-

12: Trade Receivables

Particulars	As at 30 September, 2021			As at 31 March, 2021			As at 31 March, 2020			As at 31 March, 2019		
	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total
	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3
Considered Good	10,536.42	-	10,536.42	10,219.73	-	10,219.73	12,637.66	-	12,637.66	9,991.34	(5.09)	9,986.25
Considered Doubtful	136.83	-	136.83	119.34	-	119.34	122.50	-	122.50	110.67	-	110.67
Less: Allowance For Expected Credit Loss	(136.83)	-	(136.83)	(119.34)	-	(119.34)	(122.50)	-	(122.50)	(110.67)	-	(110.67)
Total	10,536.42	-	10,536.42	10,219.73	-	10,219.73	12,637.66	-	12,637.66	9,991.34	(5.09)	9,986.25

13: Cash And Cash Equivalents:

Particulars	As at 30 September, 2021			As at 31 March, 2021			As at 31 March, 2020			As at 31 March, 2019		
	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total
	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3
Balance With Banks In Current Account	1,379.90	-	1,379.90	703.98	-	703.98	1,218.32	-	1,218.32	470.63	-	470.63
Cheques In Hand	-	-	-	9.12	-	9.12	13.92	-	13.92	-	-	-
Cash On Hand	13.03	-	13.03	8.37	-	8.37	35.22	-	35.22	62.84	-	62.84
Remittance In Transit	111.38	-	111.38	-	-	-	-	-	-	-	-	-
Total	1,504.31	-	1,504.31	721.47	-	721.47	1,267.46	-	1,267.46	533.47	-	533.47

14: Current Loans

Particulars	As at 30 September, 2021			As at 31 March, 2021			As at 31 March, 2020			As at 31 March, 2019		
	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total
	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3
(Carried at Amortised Cost)												
Loans To Employees												
Unsecured, Considered Good	2.71	-	2.71	4.20	-	4.20	4.45	-	4.45	3.78	-	3.78
Total	2.71	-	2.71	4.20	-	4.20	4.45	-	4.45	3.78	-	3.78

15: Other Current Financial Assets

Particulars	As at 30 September, 2021			As at 31 March, 2021			As at 31 March, 2020			As at 31 March, 2019		
	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total
	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3
(Carried At Amortised Cost)												
Security Deposits	36.63	-	36.63	38.40	-	38.40	18.66		18.66	5.75		5.75
Fixed Deposits With Bank	210.23	-	210.23	230.50	-	230.50	3,627.93	(3,310.20)	317.73	18,141.39	(17,535.14)	606.25
Fixed Deposits With Non-Banking Financial Company	1,398.50	-	1,398.50	898.50	-	898.50	1,697.00	-	1,697.00	-	-	-
Export Benefits/Incentives From Government Receivable	1,685.51	-	1,685.51	2,054.35	-	2,054.35	1,804.44	-	1,804.44	1,391.19	-	1,391.19
Interest Receivable	87.69	-	87.69	10.97	-	10.97	1,541.88	(1,460.66)	81.22	1,414.44	(1,413.89)	0.55
Claims Receivable	2.75	-	2.75	13.72	-	13.72	0.19	-	0.19	1.12	-	1.12
Employee Advances	98.93	-	98.93	129.36	-	129.36	86.18	-	86.18	70.00	-	70.00
Other	1,927.60	21,559.33	23,486.93	(1,733.15)	21,559.33	19,826.18	19.08	12,532.95	12,552.03	13.67	6,538.35	6,552.02
Total	5,447.84	21,559.33	27,007.17	1,642.65	21,559.33	23,201.98	8,795.36	7,762.09	16,557.45	21,037.56	(12,410.68)	8,626.88

(Note: Other includes receivable / (payable) to Agarwal Holding Company (September 30, 2021 - ₹ 23,309.80 millions; March 31, 2021 - ₹ 19,605.51 millions; March 31, 2020 - ₹ 12,532.95 millions; March 31, 2019 - ₹ 6,538.35 millions) on account of Demerger of Investment Undertaking)

Bank Deposit of ₹ 0.20 millions has been kept lien against Bank Overdraft during the period/year
(September 30, 2021- ₹ 0.20 millions, March 31, 2021 - Nil, March 31, 2020 - Nil, March 31, 2019 - Nil)

16: Other Current Assets

Particulars	As at 30 September, 2021			As at 31 March, 2021			As at 31 March, 2020			As at 31 March, 2019		
	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total
	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3
Advances Paid To Suppliers	583.92	-	583.92	87.53	-	87.53	1,579.69		1,579.69	106.44		106.44
Prepaid Expenses	160.26	-	160.26	159.50	-	159.50	66.68	(0.18)	66.50	47.61	(0.18)	47.43
Balance With Govt. Department	2,125.04	-	2,125.04	2,223.61	-	2,223.61	1,469.90		1,469.90	1,366.15		1,366.15
Total	2,869.22	-	2,869.22	2,470.64	-	2,470.64	3,116.27	(0.18)	3,116.09	1,520.20	(0.18)	1,520.02

Equity And Liabilities

17: Equity Share Capital

Particulars	As at 30 September, 2021			As at 31 March, 2021			As at 31 March, 2020			As at 31 March, 2019		
	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total
	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3
Authorised			-			-						
25,000,000 Equity Shares Of ₹ 10 Each	250.00		250.00	250.00		250.00	250.00		250.00	250.00		250.00
Total	250.00	-	250.00	250.00	-	250.00	250.00	-	250.00	250.00	-	250.00
Issued, Subscribed And Fully Paid Up			-			-						
19,960,680 Equity Shares Of ₹ 10 Each	199.61		199.61	199.61		199.61	199.61		199.61	199.61		199.61
Total	199.61	-	199.61	199.61	-	199.61	199.61	-	199.61	199.61	-	199.61

(I) The company has only one class of shares i.e. Equity Shares having a face value of ₹ 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

(II) Shareholder holding more than 5% shares as at the Balance Sheet date 30 September 2021, 31 March 2021, 31 March 2020 and 31 March 2019 as below:

Name of Shareholder	Number of Shares held	% holding in that class of shares
List of Shareholders holding more than 5% shares		
Dr Rajendra Agarwal	3,084,360	15.45%
Banwarilal Bawri	3,022,080	15.14%
Girdharilal Bawri	2,235,360	11.20%
Ajay Agarwal	2,172,550	10.88%
Anju Agarwal	3,256,200	16.31%
Vijay Agarwal	2,083,610	10.43%
Prateek Banwarilal Bawri	2,518,400	12.61%

(III) The Company has not issued any bonus shares, shares for consideration other than cash or bought back any shares during five Years immediately preceding the reporting date. Also refer Note 40 for issue of Bonus Shares and sub-division.

18: Other Equity

Particulars	As at 30 September, 2021			As at 31 March, 2021			As at 31 March, 2020			As at 31 March, 2019		
	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total
	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3
A. Other Equity												
(I) General Reserves	3,502.05		3,502.05	3,502.05	-	3,502.05	3,502.05		3,502.05	3,502.05		3,502.05
(II) Retained Earning	99,045.63	(6,847.18)	92,198.45	92,719.97	(6,847.18)	85,872.79	72,514.04	(2,925.92)	69,588.12	56,838.61	(1,816.72)	55,021.89
(III) Foreign Currency Translation Reserve	-	-	-	-	-	-	-	-	-	-	-	-
(IV) Other Comprehensive Income	(837.85)	-	(837.85)	(658.76)	-	(658.76)	(561.54)		(561.54)	(390.75)		(390.75)
(V) Transferred on account of de-merger (Refer Note 40)	(57,802.35)	30,880.48	(26,921.87)	(57,802.35)	30,880.48	(26,921.87)		(26,921.87)	(26,921.87)		(26,921.87)	(26,921.87)
Total	43,907.48	24,033.30	67,940.78	37,760.91	24,033.30	61,794.21	75,454.55	(29,847.79)	45,606.76	59,949.91	(28,738.59)	31,211.32
B. Non Controlling-Interest												
Opening Balance	(12.78)		(12.78)	12.21		12.21	(6.76)		(6.76)	(26.07)		(26.07)
Profit For The Period/Year	54.86		54.86	22.40		22.40	45.72		45.72	29.34		29.34
Other Comprehensive Income For The Period/Year	(17.78)		(17.78)	(47.39)		(47.39)	(26.75)		(26.75)	(10.03)		(10.03)
Total	24.30	-	24.30	(12.78)	-	(12.78)	12.21	-	12.21	(6.76)	-	(6.76)

19: Non Current Lease Liabilities

Particulars	As at 30 September, 2021			As at 31 March, 2021			As at 31 March, 2020			As at 31 March, 2019		
	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total
	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3
Lease Liability	312.69		312.69	306.58		306.58	311.28		311.28	231.57		231.57
Total	312.69	-	312.69	306.58	-	306.58	311.28	-	311.28	231.57	-	231.57

20: Other Non - Current Financial Liabilities

Particulars	As at 30 September, 2021			As at 31 March, 2021			As at 31 March, 2020			As at 31 March, 2019		
	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total
	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3
(Carried At Amortised Cost)												
Security Deposits	351.35		351.35	327.50		327.50	311.25		311.25	273.30		273.30
Other Payables	4.51		4.51	6.73		6.73	6.96		6.96	4.48		4.48
Total	355.86	-	355.86	334.23	-	334.23	318.21	-	318.21	277.78	-	277.78

(Note: Other Payables include Rental Deposits taken on Investment Properties given on lease)

21: Long Term Provision

Particulars	As at 30 September, 2021			As at 31 March, 2021			As at 31 March, 2020			As at 31 March, 2019		
	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total
	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3
Post Retirement - Gratuity	1,778.43		1,778.43	1,520.13		1,520.13	1,250.15		1,250.15	990.62		990.62
Leave Encashment Benefits	16.12		16.12	14.13		14.13	11.38		11.38	8.68		8.68
Total	1,794.55	-	1,794.55	1,534.26	-	1,534.26	1,261.53	-	1,261.53	999.30	-	999.30

22: Other Non Current Liabilities

Particulars	As at 30 September, 2021			As at 31 March, 2021			As at 31 March, 2020			As at 31 March, 2019		
	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total
	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3
Deferred Government Grant	95.65		95.65	102.18		102.18	115.19		115.19	128.18		128.18
Deferred Lease Income	0.33		0.33	0.30		0.30	0.12		0.12	-		-
Total	95.98	-	95.98	102.48	-	102.48	115.31	-	115.31	128.18	-	128.18

23: Short Term Borrowings

Particulars	As at 30 September, 2021			As at 31 March, 2021			As at 31 March, 2020			As at 31 March, 2019		
	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total
	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3
(Carried At Amortised Cost)												
			-			-						
From Bank (Secured) (Refer note below)	464.29		464.29	797.16		797.16	360.67		360.67	1,317.52		1,317.52
From Related Party (Unsecured)	0.01		0.01	0.01		0.01	0.01		0.01	1.03		1.03
Total	464.30	-	464.30	797.17	-	797.17	360.68	-	360.68	1,318.55	-	1,318.55

Carrying interest rate in range of 5.60 % to 7.50 %. Its secured by way of lien on fixed deposit kept with bank amounting (September 30, 2021- ₹ 620.93 millions, March 31, 2021 - Nil, March 31, 2020 - Nil, March 31, 2019 - Nil)

24: Current Lease Liabilities

Particulars	As at 30 September, 2021			As at 31 March, 2021			As at 31 March, 2020			As at 31 March, 2019		
	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total
	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3
Lease Liability	41.44		41.44	47.09		47.09	80.44		80.44			-
Total	41.44	-	41.44	47.09	-	47.09	80.44	-	80.44	-	-	-

25: Trade Payables

Particulars	As at 30 September, 2021			As at 31 March, 2021			As at 31 March, 2020			As at 31 March, 2019		
	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total
	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3
(Carried At Amortised Cost)												
- Total Outstanding Dues to Micro and Small Enterprises	865.57	-	865.57	747.86	-	747.86	632.18		632.18	742.72	(0.04)	742.68
- Total Outstanding Due to Other Than Micro And Small Enterprises	7,626.06		7,626.06	5,925.28	-	5,925.28	7,066.37	(0.03)	7,066.34	4,530.50		4,530.50
Total	8,491.63	-	8,491.63	6,673.14	-	6,673.14	7,698.55	(0.03)	7,698.52	5,273.22	(0.04)	5,273.18

26: Other Current Financial Liabilities: (Carried At Amortised Cost)

Particulars	As at 30 September, 2021			As at 31 March, 2021			As at 31 March, 2020			As at 31 March, 2019		
	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total
	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3
Creditors for Capital Expenditure	266.88		266.88	239.12		239.12	348.88		348.88	120.86		120.86
Provision for Employee Benefits	2,763.13		2,763.13	1,855.49		1,855.49	1,372.29		1,372.29	1,294.82		1,294.82
Remuneration Payable	37.05		37.05	35.57		35.57	-		-	36.17		36.17
Bank Overdraft	-		-	-		-	-		-	-		-
Sales Promotion Expenses Payable	10.08		10.08	6.04		6.04	2.75		2.75	8.10		8.10
Electricity Charges Payable	98.48		98.48	1.75		1.75	1.26		1.26	22.73		22.73
Failure To Supply Expenses Payable	13.64		13.64	11.38		11.38	652.94		652.94	171.10		171.10
Field Staff Expenses Payable	166.12		166.12	191.92		191.92	127.33		127.33	160.29		160.29
Freight On Export-Payable	59.97		59.97	-		-	6.06		6.06	4.11		4.11
Other Payables	314.52	-	314.52	197.94	-	197.94	508.63		508.63	284.60		284.60
Total	3,729.87	-	3,729.87	2,539.21	-	2,539.21	3,020.14	-	3,020.14	2,102.78	-	2,102.78

(Note: Other Payables Include Commission and other Overseas Expenses Payable)

27: Other Current Liabilities

Particulars	As at 30 September, 2021			As at 31 March, 2021			As at 31 March, 2020			As at 31 March, 2019		
	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total
	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3
Payables To Statutory Authorities	678.60	-	678.60	528.13	-	528.13	437.31	(0.02)	437.29	362.37	(0.03)	362.34
Deferred Lease Income	0.01	-	0.01	0.03	-	0.03	0.23		0.23	-		-
Deferred Government Grant	13.01	-	13.01	13.01	-	13.01	12.99		12.99	18.63		18.63
Advances Received From Customers	417.08	-	417.08	435.40	-	435.40	447.68		447.68	402.52		402.52
Total	1,108.70	-	1,108.70	976.57	-	976.57	898.21	(0.02)	898.19	783.52	(0.03)	783.49

28: Short Term Provision

Particulars	As at 30 September, 2021			As at 31 March, 2021			As at 31 March, 2020			As at 31 March, 2019		
	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total
	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3
Post Retirement - Gratuity	266.40		266.40	232.85		232.85	187.97		187.97	140.18		140.18
Provision For Legal Matter	63.56		63.56	63.56		63.56	63.56		63.56	63.56		63.56
Leave Encashment Benefits	1,122.61		1,122.61	952.80		952.80	435.63		435.63	350.10		350.10
Provision For Right of Returns (Refer table below)	2,563.89		2,563.89	2,468.60		2,468.60	2,241.59		2,241.59	1,922.15		1,922.15
Provision For Anticipated Claim on Pricing (Refer table below)	1,615.76		1,615.76	2,371.09		2,371.09	3,074.40		3,074.40	1,955.04		1,955.04
Total	5,632.22	-	5,632.22	6,088.90	-	6,088.90	6,003.15	-	6,003.15	4,431.03	-	4,431.03
Provision For Right of Returns												
Balance at the Beginning of the Period/Year	2,468.60	-	2,468.60	2,241.59	-	2,241.59	1,922.15		1,922.15	1,818.55		1,818.55
Add : Provisions made during Period/year	1,654.58	-	1,654.58	1,538.55	-	1,538.55	1,473.18		1,473.18	1,505.60		1,505.60
Less : Provisions reverse during Period/year	(1,559.29)	-	(1,559.29)	(1,311.54)	-	(1,311.53)	(1,153.74)		(1,153.74)	(1,402.00)		(1,402.00)
Total Balance at the end of the Period/Year	2,563.89	-	2,563.89	2,468.60	-	2,468.61	2,241.59	-	2,241.59	1,922.15	-	1,922.15
Provision For Anticipated Claim on Pricing												
Balance at the Beginning of the Period/Year	2,371.09	-	2,371.09	3,074.40	-	3,074.40	1,955.04		1,955.04	1,564.69		1,564.69
Add : Provisions made during Period/year	8,385.20	-	8,385.20	26,603.26	-	26,603.26	2,789.35		2,789.35	1,684.05		1,684.05
Less : Provisions reverse during Period/year	(9,140.53)	-	(9,140.53)	(27,306.57)	-	(27,306.57)	(1,669.99)		(1,669.99)	(1,293.70)		(1,293.70)
Balance at the end of the Period/Year	1,615.76	-	1,615.76	2,371.09	-	2,371.09	3,074.40	-	3,074.40	1,955.04	-	1,955.04

Macleods Pharmaceuticals Limited				
Notes to the Proforma Consolidated Financial Information				
EQUITY ACCOUNTED INVESTEEES				(₹ in millions)
Particulars	Accounting Method	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020
Interest in Associates	Equity Method	234.92	103.45	102.48
List of Material Associate of the Group				
Name of Associate of the Group	Country of Incorporation	As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020
PT Sampharindo Retroviral Indonesia	Indonesia	49%	22%	22%
The principal place of Business is the same as the country of incorporation PT Sampharindo Retroviral Indonesia is engaged in the business of manufacturing and trading of Pharmaceutical Products				
Summarised financial Information				(₹ in millions)
		As at 30 September, 2021	As at 31 March, 2021	As at 31 March, 2020
Percentage ownership interest		49%	22%	22%
Summarised financial Information				
Non current Assets		396.67	375.38	
Current Assets (excluding cash and cash equivalent)		76.26	66.31	
Cash and cash equivalent		34.14	29.32	
Current Liabilities (current liabilities other than trade payables and provisions)		(0.34)	(1.53)	
Trade payable and provisions		(34.68)	(24.73)	
Net Assets		472.05	444.75	
Groups share of net assets		231.30	97.85	
Carrying amount of interest in associate		231.30	97.85	
Revenue		55.20	102.81	
Cost of Goods Sold		(24.24)	(64.37)	
Depreciation and amortisation		(4.21)	(9.88)	
Other expenses		(14.13)	(22.70)	
Profit or loss from continuing operations		12.62	5.86	
Income tax expenses		-	1.15	
Post tax profit or loss from continuing operations		12.62	7.01	
Total comprehensive income		12.62	7.01	
Group's Share of profit		6.18	1.54	
Group's Share of total comprehensive income		6.18	1.54	

29: Revenue From Operations

Particulars	For the six months ended 30 September, 2021			For the Year ended 31 March, 2021			For the Year ended 31 March, 2020			For the Year ended 31 March, 2019		
	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total
	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3
(A) Sales of Products Net	39,879.60		39,879.60	70,002.59		70,002.59	67,093.76		67,093.76	56,843.61		56,843.61
(B) Sales of Services	159.22		159.22	529.31		529.31	353.18		353.18	338.06		338.06
(C) Other Operating Revenues												
(I) Duty Drawback And Other Export Incentives	346.65		346.65	778.70		778.70	976.39		976.39	979.63		979.63
(II) Others	416.08		416.08	683.56		683.56	604.83		604.83	543.05		543.05
Total Revenue From Operations	40,801.55	-	40,801.55	71,994.16	-	71,994.16	69,028.16	-	69,028.16	58,704.35	-	58,704.35

(Note: Others includes IGST Refund Claim)

30: Other Income

Particulars	For the six months ended 30 September, 2021			For the Year ended 31 March, 2021			For the Year ended 31 March, 2020			For the Year ended 31 March, 2019		
	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total
	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3
Interest Income												
Bank Deposits	86.04	-	86.04	1,452.97	(1,289.02)	163.95	1,737.80	(1,646.26)	91.54	1,055.32	(1,013.14)	42.18
Employee Loan	0.28		0.28	0.49	-	0.49	0.67	-	0.67	0.60	-	0.60
Others	16.23	-	16.23	726.83	(720.53)	6.30	841.80	(838.37)	3.43	568.28	(560.35)	7.93
Total Interest Income	102.55	-	102.55	2,180.29	(2,009.55)	170.74	2,580.27	(2,484.63)	95.64	1,624.20	(1,573.49)	50.71
Dividend Income	0.02	-	0.02	65.71	(65.68)	0.03	45.84	(45.81)	0.03	32.90	(32.87)	0.03
Net Gain on Foreign Currency Transaction and Translation	(15.74)		(15.74)	630.16	-	630.16	872.25		872.25	277.07	-	277.07
Profit on Sale of Property, Plant and Equipment	-		-	0.18	-	0.18	-		-	-	-	-
Write Back of Expected Credit Loss (Net)	-		-	3.16		3.16	-		-	-	-	-
Realised Gain On Investment Carried At FVTPL (Net)	-	-	-	438.16	(438.16)	-	40.96	(40.96)	-	2,325.60	(2,325.60)	-
Unrealised Gain/Loss Investment Carried At FVTPL (Net)	-	-	-	2,127.68	(2,144.62)	(16.94)	-		-	93.02	(93.02)	-
Miscellaneous Income (Refer Note below)	48.63	-	48.63	55.34	-	55.34	53.85		53.85	71.84	(0.19)	71.65
Total Other Income	135.46	-	135.46	5,500.68	(4,658.01)	842.67	3,593.17	(2,571.40)	1,021.77	4,424.63	(4,025.17)	399.46

(Note: Income below 1% of revenue from operation is aggregated in accordance with Schedule III to the Companies Act, 2013.)

31: Cost Of Materials Consumed

Particulars	For the six months ended 30 September, 2021			For the Year ended 31 March, 2021			For the Year ended 31 March, 2020			For the Year ended 31 March, 2019		
	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total
	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3
Inventory at the Beginning of the Period/Year	6,289.55		6,289.55	4,612.17		4,612.17	3,986.26		3,986.26	3,022.49		3,022.49
Purchases During the Period/Year	11,254.99		11,254.99	17,463.95		17,463.95	16,941.81		16,941.81	16,324.82		16,324.82
Inventory at the End of the Period/Year	(6,050.58)		(6,050.58)	(6,289.55)		(6,289.55)	(4,612.17)		(4,612.17)	(3,986.26)		(3,986.26)
Total Cost Of Materials Consumed	11,493.96	-	11,493.96	15,786.57	-	15,786.57	16,315.90	-	16,315.90	15,361.05	-	15,361.05

32: Purchases Of Stock- In-Trade

Particulars	For the six months ended 30 September, 2021			For the Year ended 31 March, 2021			For the Year ended 31 March, 2020			For the Year ended 31 March, 2019		
	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total
	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3
Purchases During the Period/Year	5,813.74		5,813.74	11,976.36		11,976.36	9,557.75		9,557.75	6,588.77		6,588.77
Total Purchases Of Stock- In-Trade	5,813.74	-	5,813.74	11,976.36	-	11,976.36	9,557.75	-	9,557.75	6,588.77	-	6,588.77

33: Changes In Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress

Particulars	For the six months ended 30 September, 2021			For the Year ended 31 March, 2021			For the Year ended 31 March, 2020			For the Year ended 31 March, 2019		
	Amount Column 1	Adjustments Column 2	Total Column 3	Amount Column 1	Adjustments Column 2	Total Column 3	Amount Column 1	Adjustments Column 2	Total Column 3	Amount Column 1	Adjustments Column 2	Total Column 3
Inventory at the Beginning of the Period/Year												
Work-In-Progress	1,261.03		1,261.03	969.45		969.45	796.62		796.62	655.08		655.08
Finished Goods	3,515.56		3,515.56	2,737.94		2,737.94	2,249.16		2,249.16	2,150.82		2,150.82
Stock-In-Trade	4,520.65		4,520.65	1,517.96		1,517.96	1,292.23		1,292.23	2,040.09		2,040.09
	9,297.24	-	9,297.24	5,225.35	-	5,225.35	4,338.01	-	4,338.01	4,845.99	-	4,845.99
Inventory at the End of the Period/Year												
Work-In-Progress	(1,478.07)		(1,478.07)	(1,261.03)		(1,261.03)	(969.45)		(969.45)	(796.62)		(796.62)
Finished Goods	(7,042.22)		(7,042.22)	(3,515.56)		(3,515.56)	(2,737.94)		(2,737.94)	(2,249.16)		(2,249.16)
Stock-In-Trade	(2,195.80)		(2,195.80)	(4,520.65)		(4,520.65)	(1,517.96)		(1,517.96)	(1,292.23)		(1,292.23)
	(10,716.09)	-	(10,716.09)	(9,297.24)	-	(9,297.24)	(5,225.35)	-	(5,225.35)	(4,338.01)	-	(4,338.01)
Total Changes In Inventories	(1,418.85)	-	(1,418.85)	(4,071.89)	-	(4,071.89)	(887.34)		(887.34)	507.98		507.98

34: Employee Benefits Expense

Particulars	For the six months ended 30 September, 2021			For the Year ended 31 March, 2021			For the Year ended 31 March, 2020			For the Year ended 31 March, 2019		
	Amount Column 1	Adjustments Column 2	Total Column 3	Amount Column 1	Adjustments Column 2	Total Column 3	Amount Column 1	Adjustments Column 2	Total Column 3	Amount Column 1	Adjustments Column 2	Total Column 3
Salaries, Wages and Bonus	7,219.86		7,219.86	10,988.17		10,988.17	10,266.97		10,266.97	8,789.99		8,789.99
Contribution To Provident and Other Funds	233.47		233.47	431.35		431.35	387.67		387.67	326.25		326.25
Gratuity and Compensated Absences	406.08		406.08	860.33		860.33	390.74		390.74	342.88		342.88
Staff Welfare Expenses	271.67		271.67	546.49		546.49	544.31		544.31	433.45		433.45
Total Employee Benefit Expenses	8,131.08	-	8,131.08	12,826.34	-	12,826.34	11,589.69	-	11,589.69	9,892.57	-	9,892.57

35: Finance Costs

Particulars	For the six months ended 30 September, 2021			For the Year ended 31 March, 2021			For the Year ended 31 March, 2020			For the Year ended 31 March, 2019		
	Amount Column 1	Adjustments Column 2	Total Column 3	Amount Column 1	Adjustments Column 2	Total Column 3	Amount Column 1	Adjustments Column 2	Total Column 3	Amount Column 1	Adjustments Column 2	Total Column 3
Interest Expenses :												
Working Capital Loans	8.13		8.13	12.66		12.66	31.73		31.73	22.91		22.91
Others	8.47		8.47	18.58		18.58	19.87		19.87	18.17		18.17
	16.60	-	16.60	31.24	-	31.24	51.60	-	51.60	41.08	-	41.08
Interest Expenses on Lease Liabilities	15.04		15.04	31.41		31.41	26.00		26.00	15.33		15.33
Interest Expenses on Lease Deposits Taken	-		-	0.37		0.37	-		-	-		-
Total Finance Costs	31.64	-	31.64	63.02	-	63.02	77.60	-	77.60	56.41	-	56.41

36: Depreciation And Amortization Expense

Particulars	For the six months ended 30 September, 2021			For the Year ended 31 March, 2021			For the Year ended 31 March, 2020			For the Year ended 31 March, 2019		
	Amount Column 1	Adjustments Column 2	Total Column 3	Amount Column 1	Adjustments Column 2	Total Column 3	Amount Column 1	Adjustments Column 2	Total Column 3	Amount Column 1	Adjustments Column 2	Total Column 3
Depreciation Expense on Property, Plant and Equipment (Refer Note 2A)	738.47		738.47	1,226.21		1,226.21	1,203.53		1,203.53	1,144.84		1,144.84
Amortization Expense on Intangible Assets (Refer Note 2B)	7.38		7.38	19.06		19.06	22.27		22.27	34.22		34.22
Depreciation Expense on Investment Properties (Refer Note 2E)	2.44		2.44	4.89		4.89	4.90		4.90	1.70		1.70
Depreciation Expense on Right To Use Assets (Refer Note 2F)	49.94		49.94	93.84		93.84	73.51		73.51	48.60		48.60
Total Depreciation And Amortization Expense	798.23	-	798.23	1,344.00	-	1,344.00	1,304.21		1,304.21	1,229.36		1,229.36

37: Other Expenses

Particulars	For the six months ended 30 September, 2021			For the Year ended 31 March, 2021			For the Year ended 31 March, 2020			For the Year ended 31 March, 2019		
	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total	Amount	Adjustments	Total
	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3
Brokerages and Commissions on Sales	356.81		356.81	221.64		221.64	713.11	-	713.11	548.34	(0.10)	548.24
Branch Expenses	64.44		64.44	50.15		50.15	40.15	-	40.15	24.87	-	24.87
Consumption of Stores and Spare Parts	379.47		379.47	785.07		785.07	652.23	-	652.23	564.26	-	564.26
Communication Expenses	140.47		140.47	297.43		297.43	351.73	-	351.73	285.52	-	285.52
Donations	14.95		14.95	12.63		12.63	13.98	-	13.98	12.20	-	12.20
Delayed Supply Charges	115.50		115.50	188.57		188.57	115.01	-	115.01	41.93	-	41.93
Corporate Social Responsibility (CSR) Expenditure	170.86		170.86	324.74		324.74	311.85	-	311.85	265.43	-	265.43
Expected Credit Loss (Net)	17.50		17.50	-		-	11.83	-	11.83	11.79	-	11.79
Unrealised Gain/Loss Investment Carried At FVTPL (Net)	-		-	-		-	855.41	(854.99)	0.42	1,367.18	(1,367.34)	(0.16)
Freight and Forwarding	752.51		752.51	1,670.27		1,670.27	1,219.74	-	1,219.74	950.95	-	950.95
Failure to Supply Expenses	124.12		124.12	324.48		324.48	511.02	-	511.02	308.83	-	308.83
Job Work/Processing Charges	573.07		573.07	930.28		930.28	860.30	-	860.30	913.54	-	913.54
Legal and Professional Fees	2,112.03		2,112.03	2,403.69		2,403.69	960.16	(0.06)	960.10	319.51	(0.05)	319.46
Payment to Auditors (Refer Note 38)	11.40		11.40	6.53		6.53	6.51	-	6.51	4.26	-	4.26
Loss on Sale of Property, Plant and Equipment (Net)	0.46		0.46	-		-	5.70	-	5.70	0.13	-	0.13
Insurance	157.16		157.16	226.63		226.63	139.50	(0.04)	139.46	114.35	(0.02)	114.33
Market Research & Development Expenses	14.65		14.65	34.36		34.36	39.03	-	39.03	760.01	-	760.01
Miscellaneous Expenses (Refer Note below)	727.92		727.92	1,414.85		1,414.85	1,093.05	-	1,093.05	1,173.81	-	1,173.81
Registration Charges	278.93		278.93	400.82		400.82	451.99	-	451.99	626.75	-	626.75
Stall & Camp Expenses	88.54		88.54	167.75		167.75	286.88	-	286.88	203.58	-	203.58
Warehousing Expenses	91.93		91.93	153.53		153.53	169.19	-	169.19	138.75	-	138.75
Power, Fuel and Water	935.33		935.33	1,509.81		1,509.81	1,350.21	-	1,350.21	1,217.63	-	1,217.63
Rates and Taxes	111.23		111.23	227.44		227.44	315.77	(1.47)	314.30	166.36	(1.47)	164.89
Rent	11.56		11.56	23.56		23.56	33.27	-	33.27	41.63	-	41.63
Repairs and Maintenance	458.45		458.45	783.53		783.53	763.84	-	763.84	680.59	-	680.59
Sales Promotion Expenses	1,031.70		1,031.70	1,750.03		1,750.03	3,830.56	-	3,830.56	2,546.83	-	2,546.83
Travelling, Lodging and Boarding Expenses	341.76		341.76	602.39		602.39	963.52	-	963.52	1,025.00	-	1,025.00
Total Other Expenses	9,082.75	-	9,082.75	14,510.18	-	14,510.18	16,065.54	(856.56)	15,208.98	14,314.03	(1,368.98)	12,945.05

(Note: Expense below 1% of revenue from operation is aggregated in accordance with Schedule III to the Companies Act, 2013.)

Note 38 : Payment to Auditors

(a) audit fees	11.40		11.40	5.54		5.54	5.63		5.63	3.86		3.86
(b) for taxation matters				0.60		0.60	0.53		0.53	0.40		0.40
(c) for company law matters									-			-
(d) for Certification				0.39		0.39	0.35		0.35			-
(e) for reimbursement of expenses												
Total Payment to Auditors	11.40	-	11.40	6.53	-	6.53	6.51	-	6.51	4.26	-	4.26

MACLEODS PHARMACEUTICALS LIMITED**Notes to the Proforma Consolidated Financial Information****NOTE 39: EARNINGS PER SHARE (EPS)**

(₹ in millions)

Particulars	For the six months ended 30 September, 2021	For the year ended 31 March, 2021	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Profit after Tax as per Proforma Statement of Profit and Loss	6,325.65	16,284.78	14,566.23	11,891.96
Weighted Average No. of Shares Outstanding *	598.82	598.82	598.82	598.82
Basic Earnings Per Share	10.56	27.19	24.32	19.86
Diluted Earnings Per Share	10.56	27.19	24.32	19.86

* Earnings Per Share is calculated after considering retrospective effect of Sub-Division of Shares and Issue of Bonus Shares in January, 2022 as per Ind AS 33: Earnings Per Share

NOTE 40: SUBSEQUENT EVENTS

1) Pursuant to a resolution passed by the Board on September 27, 2021 and a resolution passed by the Shareholders dated November 15, 2021, each equity share of face value of ₹ 10 each has been sub-divided into 10 equity shares of face value of ₹ 1 each. Accordingly, the issued, subscribed and paid up capital of the Company was sub-divided from 19,960,680 equity shares of face value of ₹10 each to 199,606,800 equity shares of face value of ₹1 each.

2) The Board of Directors pursuant to a resolution dated November 15, 2021 and the Shareholders pursuant to a special resolution dated November 29, 2021 have approved the issuance of two bonus shares of face value ₹1 each for every one existing fully paid up equity share of face value ₹1 each and accordingly 399,213,600 bonus shares were issued.

NOTE 41: AUTHORISATION OF FINANCIAL STATEMENTS

The Proforma Consolidated Financial Information were approved by the Board of Directors on 9 February 2022.

As per our Report of even date

For B. A. K. D. & Co.
Chartered Accountants
(Registration No. 138880W)

Anushree Agarwal
Partner
Membership No. : 163509

Place : Mumbai
Date : 9 February 2022

For Walker Chandiok & Co LLP
Chartered Accountants
(Registration No. 001076N/N500013)

Bharat Shetty
Partner
Membership No. : 106815

Place : Mumbai
Date : 9 February 2022

**For and on behalf of the Board of Directors of
Macleods Pharmaceuticals Limited**

Girdharilal Bawri
Founder Executive Director
DIN - 00034197

Banwarilal Bawri
Founder Jt. Managing Director
DIN - 00017795

Patri Venkat Raghavendra Rao
Chief Financial Officer

Siddhesh Rane
Company Secretary

OTHER FINANCIAL INFORMATION

The accounting ratios derived from our Restated Consolidated Financial Information are given below:

Particulars	As at and for the six months ended September 30, 2021 [#]	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019
Restated profit attributable to Owners for the period/ year (A) (₹ in million)	6,325.65	20,206.04	15,675.43	14,205.23
Weighted average number of equity shares in calculating basic EPS (B) (number in million)	598.82	598.82	598.82	598.82
Weighted average number of equity shares in calculating diluted EPS (C) (number in million)	598.82	598.82	598.82	598.82
Basic Earnings per share (in ₹)^{(1)(S)} (D = A/B)	10.56	33.74	26.18	23.72
Diluted Earnings per share (in ₹)^{(1)(S)} (E = A/C)	10.56	33.74	26.18	23.72
Total Equity (A) (₹ in million)	44,131.39	37,947.74	75,666.37	60,142.76
Restated profit for the period/ year (B) (₹ in million)	6,380.51	20,228.44	15,721.15	14,234.57
Return on net worth (C = B/A)⁽²⁾ (%)	14.46%	53.31%	20.78%	23.67%
Total Equity (A) (₹ in million)	44,131.39	37,947.74	75,666.37	60,142.76
Weighted average number of equity shares in calculating basic EPS (B) (number in million)	598.82	598.82	598.82	598.82
Weighted average number of equity shares in calculating diluted EPS (C) (number in million)	598.82	598.82	598.82	598.82
Net Asset Value per Equity Share (basic) (D = A/B) (in ₹)^{(3)(S)}	73.70	63.37	126.36	100.44
Net Asset Value per Equity Share (diluted) (E = A/C) (in ₹)^{(3)(S)}	73.70	63.37	126.36	100.44
EBITDA⁽⁴⁾ (₹ in million)	7,698.87	20,966.60	16,386.62	12,039.95
EBITDA Margin⁽⁴⁾ (%)	18.87%	29.12%	23.74%	20.51%
ROCE (%)⁽⁵⁾	20.46%	65.98%	61.80%	52.00%
Fixed asset turnover ratio⁽⁸⁾	2.78	5.68	6.66	6.09

[#] Not annualised.

The ratios have been computed as under:

1. Basic and diluted earnings/ (loss) per equity share: Basic and diluted earnings/ (loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended)
2. Return on Net worth (%) = Restated net profit after tax / Restated net worth at the end of the period/year
3. Net Asset Value per Share (in ₹) = Restated net worth at the end of the period/year / Weighted number of equity shares outstanding at the end of the period/year
4. Earnings Before Interest, Tax, Depreciation and Amortisation, (EBITDA) is defined as Profit before tax (+) Finance costs (+) Depreciation and amortisation (–) Other income. EBITDA Margin is defined as EBITDA/ Revenue from operations. EBITDA and EBITDA Margin do not have a standardized meaning and are not recognized measures under Ind AS or IFRS. For a reconciliation from our restated profits for the year / period to EBITDA, see “Restated Consolidated Financial Information” on page 235.
5. Return on Capital employed (ROCE) is defined as EBIT/ Average Capital Employed. Capital Employed is defined as the sum of fixed assets, other intangibles, goodwill, inventories, trade receivables, less trade payables
6. Earnings before Interest and Tax (‘EBIT’) is defined as Profit before tax (+) finance costs (–) Other income.
7. Fixed asset includes Property, plant & equipment, investment properties, and rights to use of asset
8. Fixed Asset turnover ratio is defined as Revenue from operations divided by average fixed asset.

9. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

⁵Pursuant to a resolution passed by our Board on September 27, 2021 and a resolution passed by the Shareholders dated November 15, 2021, each equity share of face value of ₹10 each has been split into 10 equity shares of face value of ₹1 each. Accordingly, the issued, subscribed and paid up capital of our Company was sub-divided from 19,960,680 equity shares of face value of ₹10 each to 199,606,800 equity shares of face value of ₹1 each. Further, the Board of Directors pursuant to a resolution dated November 15, 2021 and the Shareholders pursuant to a special resolution dated November 29, 2021 have approved the issuance of 399,213,600 bonus Equity Shares in the ratio of two Equity Shares for every one existing fully paid up Equity Share which were issued and allotted on January 18, 2022. Sub-division of Equity Shares and the bonus issue of Equity Shares are retrospectively considered for the computation of EPS in accordance with Ind AS 33 for all periods presented and for the computation of Net Asset Value per share for all periods presented.

The accounting ratios as per Pro Forma Financial Information are given below:

Particulars	As at and for the six months ended September 30, 2021 [#]	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019
Pro forma profit attributable to Owners for the period/ year (A) (₹ in million)	6,325.65	16,284.78	14,566.23	11,891.96
Weighted average number of equity shares in calculating basic EPS (B) (number in million)	598.82	598.82	598.82	598.82
Weighted average number of equity shares in calculating diluted EPS (C) (number in million)	598.82	598.82	598.82	598.82
Basic Earnings per share (in ₹)⁽¹⁾⁽⁵⁾ (D = A/B)	10.56	27.19	24.32	19.86
Diluted Earnings per share (in ₹)⁽¹⁾⁽⁵⁾ (E = A/C)	10.56	27.19	24.32	19.86
Revenue from operations (A) (₹ in million)	40,801.55	71,994.16	69,028.16	58,704.35
Profit after Tax (B) (₹ in million)	6,380.51	16,307.18	14,611.95	11,921.30
PAT Margin ⁽³⁾ (%) (C=B/A)	15.64%	22.65%	21.17%	20.31%
EBITDA⁽²⁾ (₹ in million)	7,698.87	20,966.60	17,243.18	13,408.93
EBITDA Margin⁽⁴⁾ (%)	18.87%	29.12%	24.98%	22.84%
ROCE (%)⁽⁴⁾	20.46%	66.05%	65.49%	58.68%
Fixed asset turnover ratio⁽⁷⁾	2.78	5.69	6.68	6.10

[#] Not annualised.

The ratios have been computed as under:

1. Basic and diluted earnings/ (loss) per equity share: Basic and diluted earnings/ (loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).
2. Earnings Before Interest and ,Tax, Depreciation and Amortisation, (EBITDA) is defined as Profit before tax (+) Finance costs (+) Depreciation and amortisation (–) Other income. EBITDA and EBITDA Margin do not have a standardized meaning and are not recognized measures under Ind AS or IFRS. For a reconciliation from our pro forma profits for the year / period to EBITDA, see “Pro Forma Consolidated Financial Information” on page 358.
3. Profit after Tax (PAT) Margin is defined as Profit after tax/ Revenue from operations.
4. Return of Capital Employed (ROCE) is defined as EBIT/ Average Capital Employed. Capital Employed is defined as the sum of fixed assets, other intangibles, goodwill, inventories, trade receivables, less trade payables.
5. Earnings before Interest and Tax (‘EBIT’) is defined as Profit before tax (+) Finance cost (–) Other income.
6. Fixed asset includes Property, plant & equipment, investment properties, and rights to use of asset.
7. Fixed asset turnover Ratio is defined as Revenue from operations/Average Fixed Assets.

⁵Pursuant to a resolution passed by our Board on September 27, 2021 and a resolution passed by the Shareholders dated November 15, 2021, each equity share of face value of ₹10 each has been split into 10 equity shares of face value of ₹1 each. Accordingly, the issued, subscribed and paid up capital of our Company was sub-divided from 19,960,680 equity shares of face value of ₹10 each to 199,606,800 equity shares of face value of ₹1 each. Further, the Board of Directors pursuant to a resolution dated November 15, 2021 and the Shareholders pursuant to a special resolution dated November 29, 2021 have approved the issuance of 399,213,600 bonus Equity Shares in the ratio of two Equity Shares for every one existing fully paid up Equity Share which were issued and allotted on January 18, 2022. Sub-division of Equity Shares and the bonus issue of Equity Shares are retrospectively considered for the computation of EPS in accordance with Ind AS 33 for all periods presented.

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of our Company and its material subsidiary as identified in accordance with the SEBI ICDR Regulations, for Financial Years 2019, 2020 and 2021 (“**Audited Financial Statements**”) are available on our website at www.macleodspharma.com/investor. For this purpose, a Subsidiary has been considered ‘material’ if it contributes 10% or more to the turnover or net-worth or profits before tax in the Restated Consolidated Financial Information of the respective financial year. The definitions of turnover, net-worth and profits before tax have the same meaning as ascribed to them in the Companies Act. 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, 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 BRLMs 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 reliance placed on 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, read with the SEBI ICDR Regulations for the six month periods ended September 30, 2021, and the Fiscals ended March 31, 2021, March 31, 2020 and March 31, 2019 and as reported in the Restated Consolidated Financial Information, see “*Restated Consolidated Financial Information – Related Party Disclosures*” on page 323.

Non-material acquisition: Subsequent to September 30, 2021, our Company has acquired the balance 55% shares of Makmed LLC, Russia, for a total consideration of ₹ 6,295 from its own funds and accordingly, Makmed LLC, Russia has become one of the wholly-owned subsidiaries of our Company as on the date of this Draft Red Herring Prospectus.*

**As certified by our Joint Statutory Auditors pursuant to their certificate dated February 14, 2022.*

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at September 30, 2021, 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", "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations", on pages 36, 235 and 394, respectively.

(₹ in million, unless otherwise stated)		
Particulars	Pre-Offer as at September 30, 2021	Adjusted for the proposed Offer*
Total borrowings		
Current borrowings [#] (A)	464.30	Refer notes below
Non-current borrowings (including current maturities of long-term borrowings) [#] (B)	-	
Total borrowings (C)	464.30	
Total equity		
Equity share capital ^{\$@}	199.61	
Other equity ^{\$\$}	43,931.78	
Total equity (D)	44,131.39	
Total non-current borrowings (including current maturities of long- term borrowings)/ Total equity (B)/(D)	-	
Total borrowings/ Total equity (C)/(D)	0.01	

Notes:

- * Our Company is proposing to offer the Equity Shares through an offer for sale by way of initial public offering. Hence, there will be no change in the Shareholders' funds on account of this Offer.
- # These terms carry the same meaning as per Schedule III of the Companies Act.
- \$\$ Including non-controlling interest
- \$ The Board of Directors pursuant to a resolution dated November 15, 2021 and the Shareholders passed a special resolution dated November 29, 2021 have approved the bonus issue of 399,213,600 Equity Shares in the ratio of two Equity Shares for every one existing fully paid up Equity Share which were allotted to the Shareholders on January 18, 2022. The above table does not give effect to this bonus issue.
- @ Pursuant to a resolution passed by our Board on September 27, 2021 and a resolution passed by our Shareholders in the EGM held on November 15, 2021 each equity share of face value of ₹10 each has been split into 10 equity shares of face value of ₹1 each. The above table does not give effect to this split of equity shares.

FINANCIAL INDEBTEDNESS

Our Board is empowered to borrow money in accordance with Section 179 and Section 180 of the Companies Act and our AoA. As on the date of this Draft Red Herring Prospectus, except for the overdraft facilities sanctioned to our Company in the ordinary course of business, our Company does not have any outstanding or sanctioned fund-based facilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey the management's perspective on our financial condition and results of operations for Fiscals 2019, 2020 and 2021, and the six months ended September 30, 2021. We have included in this section a discussion of our financial statements on a restated consolidated basis as well as on a pro forma basis.

Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Pro Forma Consolidated Financial Information included in this Draft Red Herring Prospectus on page 358.

Ind AS differs in certain respects from Indian GAAP, IFRS and US GAAP and other accounting principles with which prospective investors may be familiar. Please also see "Risk Factors - Significant differences exist between Indian ("Ind AS") and other accounting principles, such as Indian Generally Accepted Accounting Principles ("Indian GAAP"), International Financial Reporting Standards ("IFRS") and United States Generally Accepted Accounting Principles ("U.S. GAAP"), which may be material to investors' assessments of our financial condition, result of operations and cash flows." on page 65.

This discussion contains certain forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, such as the risks set forth in the chapters entitled "Forward-Looking Statements" and "Risk Factors" on pages 34 and 36, respectively.

We have included certain sales, market share and other financial information relating to the pharmaceutical industry and our operations, products and therapeutic areas that is sourced from IQVIA Report and IQVIA Dataset. IQVIA computes revenues for the sales of pharmaceutical products based on their research on sales of products in certain pharmaceutical markets and in relation to specific geographic areas. The methodology for computation of revenues by IQVIA, including for our products, is different from the methodology we adopt for the recognition of revenue from the sales of our products under Ind AS, reflected in the Restated Financial Statements included in this Draft Red Herring Prospectus. Accordingly, the sales, market share and other financial data sourced to IQVIA may not accurately reflect our revenues, results of operations and financial results for the products/therapeutic areas covered.

Unless otherwise indicated, such data used in this section has been derived from the IQVIA Dataset. The IQVIA Dataset is subject to the following disclaimer: "The above material includes information based on market research information obtained under license from the following information service(s): IQVIA MIDAS Quarterly Audit March & September 2021 Dataset, IQVIA Secondary Sales Audit Dataset March & September 2021, IQVIA Secondary Sales Audit Dataset March 2016, IQVIA Secondary Sales Audit Dataset March 2013 and IQVIA US National Sales Perspective (USNSP September 2021). Copyright IQVIA. All Rights Reserved." "The above material also includes information based on secondary research information from the following source(s): Filings of consolidated financials made by the respective companies with stock exchanges"

We have also derived certain information from the IQVIA Report. Unless otherwise indicated, all financial, operational, industry and other related information derived from the IQVIA Dataset or the IQVIA Report and included herein with respect to any particular year refers to such information for the relevant Fiscal Year. The IQVIA Report is subject to the following disclaimer:

"The above material includes information based on market research information obtained under license from the following information service(s): Specific IQVIA Data Asset; MAT Mar 2021. Copyright IQVIA. All Rights Reserved." The enclosed materials include information derived from market research information provided by IQVIA and its affiliated companies. IQVIA market research information is proprietary to IQVIA and available on a confidential basis. IQVIA market research information reflects estimates of marketplace activity and should be treated accordingly."

For further details in relation to disclaimer and risks in relation to the IQVIA Dataset and the IQVIA Report, see "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation" on page 28 and "Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from the IQVIA Dataset and IQVIA Report exclusively commissioned by our Company solely for the purposes of the Offer." on page 60.

Overview

Established in 1989, we are one of the leading (7th largest in the IPM for the six months ended September 30, 2021, based on Domestic Sales (as defined below) (*Source: IQVIA Dataset*)), organically grown, wholly Promoter Group-owned, vertically integrated, global pharmaceutical companies based in India. We are engaged in developing, manufacturing, and marketing a wide range of formulations across several major therapeutic areas including anti-infectives, cardiovascular, anti-diabetic, dermatology, and hormone treatment. We were the 7th largest in the Indian pharmaceutical market (“IPM”) by our Domestic Sales (“**Domestic Sales**” refers to moving annual total sales for a period calculated on a monthly rolling basis, as recorded by IQVIA in India) for the six months ended September 30, 2021, and 2nd largest in the Covered Market in Fiscal 2021 (“**Covered Market**” refers to all anatomical therapeutic chemical classifications where our Company had Domestic Sales of more than ₹ 5 million in Fiscal 2021) (*Source: IQVIA Dataset*). Our domestic business comprises of branded generics, and revenue from operations in India represented 51.73% of our total revenue from operations in Fiscal 2021, which was the 3rd highest proportion of domestic business among nine other key pharmaceutical companies in India (referred to as “**Peers**”, see “*Our Business – Competition*” on page 186) (*Source: IQVIA Dataset*). We have the highest number of WHO pre-qualified products globally with 65 registrations, and the highest number of WHO pre-qualified anti-TB product registrations with 32 registrations, as at December 31, 2021 (*Source: IQVIA Report*).

Our Domestic Sales grew faster than the IPM at a CAGR of 15.3% from Fiscal 2011 to Fiscal 2021, compared to 10.8% growth in Domestic Sales of the IPM in the same period (*Source: IQVIA Dataset*). Following an increased focus on chronic therapies, expansion of our distribution network and strategic product launches, our Domestic Sales ranking in the IPM improved from 20th in Fiscal 2010 to 8th in Fiscal 2021 (*Source: IQVIA Dataset*). Our chronic segment grew at a CAGR of 12.9% from Fiscal 2017 to Fiscal 2021, the second highest growth rate among our Peers, outperforming the chronic segment CAGR of 10.9% in the IPM, in the same period, by Domestic Sales (*Source: IQVIA Report and IQVIA Dataset*). As a result, Domestic Sales from our chronic therapies as a proportion of our total Domestic Sales increased from 29.0% in Fiscal 2017 to 35.6% in Fiscal 2021, and further to 36.5% in the six months ended September 30, 2021 (*Source: IQVIA Dataset*). In particular, from Fiscal 2017 to Fiscal 2021, our Domestic Sales from anti-diabetics, cardiovascular, dermatology, respiratory and hormones therapies grew at a CAGR of 28.5%, 13.4%, 11.7%, 11.0%, and 10.4%, respectively, higher than the IPM growth of 12.3%, 11.1%, 10.8%, 6.2% and 6.9%, for the same therapies in the same periods, respectively (*Source: IQVIA Dataset*). We were ranked amongst the top 10 companies in 8 out of top 10 therapies in the Covered Market (by Domestic Sales) in Fiscal 2021 (*Source: IQVIA Dataset*).

We had a portfolio of 595 brands in the IPM from Fiscal 2017 to Fiscal 2021 (*Source: IQVIA Dataset*). Based on Domestic Sales in Fiscal 2021, we had 2 brands in the top 100 Indian brands, and 7 brands in the top 300 Indian brands (*Source: IQVIA Dataset*). We have also successfully scaled new brands in short durations, with our brand Panderm++, crossing ₹ 1 billion in Domestic Sales in Fiscal 2021 and ranking 1st in the molecular group of Clobetasol+Miconazole+Neomycin in the IPM (by Domestic Sales), within three years from launch of the brand (*Source: IQVIA Dataset*). New brands that we have launched in the last three Fiscals, such as Vildamac and Vildamac M, in established molecule groups of Vildagliptin and Vildagliptin+Metformin in the anti-diabetic market have gained market share among non-innovator brands in the IPM (Vildamac comprised 7.3% of the Vildagliptin market, and Vildamac M comprised a market share of 8.6% of the Vildagliptin+Metformin market) by Domestic Sales in the six months ended September 30, 2021 (*Source: IQVIA Dataset*). Other recently launched brands such as Dapamac and Damita in the Dapagliflozin molecular group have together emerged as the 4th largest in such molecular group, in the non-innovator branded market, by Domestic Sales in the six months ended September 30, 2021 (*Source: IQVIA Dataset*). Furthermore, 18 of our top 20 products in therapies such as hormones, dermatology, anti-infectives, cardiovascular, are amongst the top 5 in their respective molecular groups, by Domestic Sales in Fiscal 2021 (*Source: IQVIA Dataset*). We have also focused on growing our existing brands over the last five years, and the number of brands that recorded Domestic Sales in excess of ₹ 500 million increased from 6 in Fiscal 2017 to 14 in Fiscal 2021 (*Source: IQVIA Dataset*). These attributes have helped maintain our position as the 2nd largest company in the Covered Market in the IPM (by Domestic Sales), for five consecutive years (Fiscal 2017 to Fiscal 2021) (*Source: IQVIA Dataset*).

We are present across regions in India, through our sales team that comprised more than 4,900 medical representatives in India as at September 30, 2021. Through our sales and distribution efforts, Domestic Sales per medical representative per month in India was ₹ 0.60 million, ₹ 0.68 million, ₹ 0.70 million and ₹ 0.90 million, in Fiscals 2019, 2020, and 2021 and in the six months ended September 30, 2021, respectively. This has helped us grow our Prescribers’ Share (i.e., number of medical practitioners in the IPM prescribing our products as a proportion of medical practitioners across all specialties in the IPM) to 61.4% for the year ended September 30,

2021 at a CAGR of 4.5% from the year ended September 30, 2017, compared to a CAGR of 1.7% in the IPM, for the same period (*Source: IQVIA Dataset*). We have a deep presence in the IPM with our Domestic Sales from non-metro cities representing 80.0% of our total Domestic Sales in Fiscal 2021, higher than 71.0% as recorded for the IPM, indicating our strong presence across high-growth markets in India (*Source: IQVIA Report*).

The table below sets forth the split of Domestic Sales by metros and non-metros for our Company and certain of our Peers in the IPM.

Company ⁽¹⁾	% Contribution to Total Domestic Sales (Fiscal 2021)	
	Metros ⁽²⁾	Non-Metros ⁽³⁾
Sun Pharmaceuticals Industries Ltd.	29.9%	70.1%
Cipla Ltd.	35.2%	64.8%
Alkem Laboratories Ltd.	22.0%	78.0%
Lupin Limited	37.0%	63.0%
Torrent Pharma	31.0%	69.0%
Macleods Pharmaceuticals Limited	20.0%	80.0%

Source: IQVIA Report based on the IQVIA SSA March 2021 Dataset for Fiscal 2017 to Fiscal 2021

(1) Top 5 companies (among Peers including/ excluding our Company as applicable) based on Fiscal 2021 value

(2) Metros comprise 30 cities combined (i.e., cities with a population of more than 1 million as per the 2011 Census)

(3) Non-Metros is defined as all remaining town classes (i.e., towns with a population of less than 1 million as per 2011 Census)

We have an extensive global presence in more than 170 countries across developed and emerging markets such as North America, Europe, Africa, Asia, South America, and the Commonwealth of Independent States (the “CIS”). We adopt a distinct approach for each market to leverage the unique characteristics of these markets, including the regulatory landscape, market size, competitive landscape, and scope for our products. For instance, as a manufacturer of generic medicines, we are able to compete effectively in the United States of America, while maintaining lean operations, leveraging dossier filings in other markets, and deepening our engagements with our customers. Our operations in South Africa have been driven by the market for essential medicines such as anti-TB and anti-HIV products for eradication of diseases affecting their population. This has been enabled by our research and development (“R&D”) driven product formulations following high standards of quality. Revenue from operations outside India grew at a CAGR of 21.51% from Fiscal 2019 to Fiscal 2021 and represented 48.27% of our revenue from operations in Fiscal 2021. We have strong sales, marketing and distribution capabilities globally, with more than 200 employees outside India as at September 30, 2021. Globally, we also strive to provide effective and accessible therapies with an extensive portfolio of anti-TB products, and have the highest number of WHO pre-qualified products globally with 65 registrations, and the highest number of WHO pre-qualified anti-TB product registrations with 32 registrations, as at December 31, 2021 (*Source: IQVIA Report*). Leveraging our presence in anti-TB products, we forayed into anti-retrovirals (“ARV”), Artemisinin Combination Therapy for malaria products. Globally (excluding North America and Europe) our Company ranks 5th in anti-TB and 9th in anti-HIV (*Source: IQVIA Dataset*), and 2nd in anti-TB and 3rd in anti-HIV (among Indian-origin companies) by Standard Units sold (i.e., dose units/ smallest common doses for a product form), for the year ended September 30, 2021.

Our R&D-driven operations have resulted in a track record of product innovation and product launches. Our vertically integrated R&D capabilities have helped us develop a portfolio of complex formulations in multiple dosage forms and novel drug delivery systems across high-growth therapeutic areas. We have developed portfolios of differentiated products across several therapies, such as a fixed drug combination of Rifapentine and Isoniazid for treatment of latent TB infections, which was recognized as the ‘Most Successful Early Phase Research’ at the India Pharma World Awards in 2021. As at September 30, 2021, we had six DSIR-approved R&D centers that were operational, of which there is one NABL-certified pathology, and three biostudy centers with a total of 248 beds. We have also recently commissioned our seventh R&D center, and have another upcoming R&D center, both in Mumbai (Maharashtra). Our R&D centers have been approved by various regulators including US FDA and are supported by a team of more than 1,900 employees including qualified scientists and researchers, authorized to conduct in-house bioequivalence studies and prepare dossiers for filings. As at September 30, 2021, we had successfully obtained approvals for more than 3,700 product registrations, out of more than 5,300 applications made, including 181 abbreviated new drug applications filed with the U.S. Food and Drug Administration (the “USFDA”) of which 80 have been approved, 14 have been tentatively approved, and 87 are under assessment. We have also filed 348 drug master files for active pharmaceutical ingredients (“APIs”) in various markets including the United States and EDQM, of which 224 are registered, as at September

30, 2021, and have filed 78 product-related applications with WHO, of which 65 have been qualified and 13 are pending approval, as at September 30, 2021.

Our operations are supported by eight manufacturing units in India. In addition, through a manufacturing agreement, we have access to a manufacturing unit in India that is owned and operated by Oxalis Labs, a Promoter Group entity, and through our Associate Company, PT Sampharindo Retroviral Indonesia, we have access to a manufacturing unit in Indonesia. Our eight manufacturing units produce a wide range of oral dosage forms and complex formulations such as topicals, injectables and inhalers, and have obtained approvals from various regulatory bodies, including the USFDA, the U.K. Medicines and Healthcare products Regulatory Agency (the “MHRA”), the European Directorate for the Quality of Medicines (the “EDQM”) and SAPHRA. See “Business – Description of our Business – Manufacturing Facilities and Approvals” on page 181. We also manufacture our own APIs primarily for products that we distribute outside India, achieving a degree of vertical integration and allowing us to control operating costs, quality and stability of essential raw materials for our formulations. We focus on undertaking measured expansion of our capacities in line with strategic product launches, resulting in the highest ROCE among our Peers as at March 31, 2021 (*Source: IQVIA Dataset*), of 66.05% based on our Pro Forma Consolidated Financial Information. Based on our Pro Forma Consolidated Financial Information as at September 30, 2021, we had a ROCE of 20.46%. We focus on building quality into our products through compliance with global regulatory standards as well as local and state laws. We also have in-house packaging material units enabling flexibility in conducting quality checks and quality control across various stages of our operations. We are also focused on sustainability in our operations through interventions in environment management, safety initiatives in our operations and occupational health and safety of our workforce, and have undertaken various initiatives relating to energy efficiency, renewable energy and water conservation to reduce our carbon footprint. We endeavour to regularly implement measures to manage and mitigate our impact on the environment through responsible business practices.

We have a professional and experienced management team led by our Promoters who have significant experience in the pharmaceutical industry. The experience of our management team has been critical in building brands and organically growing our operations through internal accruals, and fostering our strong financial performance as set forth in the table below, based on our Pro Forma Consolidated Financial Information:

Metric	As at/ for the year ended March 31,			As at/ for the six months ended September 30, 2021	CAGR (Fiscal 2019 to Fiscal 2021)
	2019	2020	2021		
	(₹ million, except percentages)				(%)
Revenue from operations	58,704.35	69,028.16	71,994.16	40,801.55	10.74
India	35,168.28	39,281.75	37,245.16	26,082.53	2.91
Outside India	23,536.07	29,746.41	34,749.00	14,719.02	21.51
EBITDA ⁽¹⁾	13,408.93	17,243.18	20,966.60	7,698.87	25.05
EBITDA Margin ⁽²⁾	22.84%	24.98%	29.12%	18.87%	12.91
PAT	11,921.30	14,611.95	16,307.18	6,380.51	16.96
PAT Margin ⁽³⁾	20.31%	21.17%	22.65%	15.64%	5.60
ROCE ⁽⁴⁾	58.68%	65.49%	66.05%	20.46%	6.09
Fixed Asset Turnover ⁽⁵⁾	6.10	6.68	5.69	2.78	

Notes:

1. EBITDA is calculated as profit before tax less other income, plus depreciation and amortization, finance costs.
2. EBITDA Margin is the percentage of EBITDA divided by revenue from operations.
3. PAT Margin is profit after tax as a percentage of revenue from operations.
4. ROCE (pre-tax) is calculated as EBIT divided by average Capital Employed, where Capital Employed is defined as the sum of fixed assets, other intangibles, goodwill, inventories, trade receivables, less trade payables. EBIT is defined as profit before tax plus finance cost, less other income.
5. Fixed Asset Turnover is calculated as revenue from operations divided by average fixed assets.

Demerger of investment division

Pursuant to the Scheme of Arrangement (“Scheme”) between the Company and Agarwal Holding Private Limited (“Resulting Company” or “AHPL”), the demerged business undertaking (“Demerged Undertaking”) has been demerged from the Company to AHPL with effect from January 1, 2021. The National Company Law Tribunal, Mumbai Bench (“NCLT Mumbai”) had sanctioned the Scheme on December 23, 2021. According to the Scheme, the assets and liabilities of the Company in relation to the Demerged Undertaking stands vested in and are

transferred to AHPL from January 1, 2021. Accordingly, the Company has recorded the demerger from the appointed date. The net value of assets and liabilities of the Demerged undertaking of ₹ 57,802.35 million has been adjusted in the retained earnings of the Company. Previous year figures have been restated to give effect to the Scheme from January 1, 2021 and are not comparable with current year figures.

We have included in this Draft Red Herring Prospectus the Pro Forma Consolidated Financial Information (to be read in conjunction with “Basis of Preparation of the Pro Forma Consolidated Financial Information” on page 368) as at and for the years ended March 31, 2019, 2020 and 2021, and the six months ended September 30, 2021, to show the impact of the Demerger on our Company, as if such transactions had occurred prior to the first period presented. For further details, see “Financial Information – Pro Forma Consolidated Financial Information” on page 358; “History and Certain Corporate Matters – Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last 10 years” on page 201; and see “Risk Factors – The Pro Forma Consolidated Financial Information included in this DRHP to reflect the Demerger is not indicative of our future financial condition or factual financial position or results of operations” on page 42.

Significant Factors Affecting our Results of Operations

Our results of operations and financial condition are affected by a number of important factors including:

Split between Domestic and International Sales

Historically, the key growth driver for our business has been the growth in sales of our products in India. Following an increased focus on chronic therapies, the expansion of our distribution network and strategic product launches, we had the 4th highest proportion of revenue from operations in India to total revenue from operations in IPM for in Fiscal 2021 (*Source: IQVIA Dataset*). For Fiscals 2019, 2020, 2021 and the six months ended September 30, 2021, our revenue from operations in India was ₹35,168.28 million, ₹39,281.75 million, ₹37,245.16 million and ₹26,082.53 million, respectively, representing 59.91%, 56.91%, 51.73% and 63.93%, respectively, of our total revenue from operations, as per our restated financial statements. For the same periods, our revenue from operations in India on a pro forma basis was ₹35,168.28 million, ₹39,281.75 million, ₹37,245.16 million and ₹26,082.53 million, respectively, representing 59.91%, 56.91%, 51.73% and 63.93%, respectively, of our total revenue from operations on a pro forma basis.

Although domestic sales have been historically important for our business, our international business has also been driving growth in the last three Fiscals. We sell our products internationally in more than 170 countries, with the United States and South Africa serving as our primary international markets. As a manufacturer of generic medicines, we are able to compete effectively in the United States of America, while maintaining lean operations, leveraging dossier filings in other markets, and deepening our engagements with our customers in the region. Our operations in South Africa have been driven by the market for essential medicines such as anti-TB and anti-HIV products for eradication of diseases affecting their population. Our commitment to providing accessible and affordable therapeutics in multiple dosage forms to an extensive patient base, has enabled us to participate and win tenders issued by global funding agencies. We have established a major presence in South East Asia and emerging markets of Sub-Saharan Africa through our anti-TB, ARV and anti-malarial therapies, and in CIS and LATAM regions through anti-TB and ARV therapies. Our presence in all these countries is driven by the market for essential medicines and our ability to participate in tenders by having a direct presence in these regions. Revenue from operations outside India grew at a CAGR of 21.51% from Fiscal 2019 to Fiscal 2021 and represented 48.27% of our revenue from operations in Fiscal 2021, mainly due to higher sales being made in the United States and South Africa. Our revenue from operations outside India for Fiscals 2019, 2020, 2021 and the six months ended September 30, 2021 was ₹ 23,536.07 million, ₹ 29,746.41 million, ₹ 34,749.00 million and ₹ 14,719.02 million, respectively, representing 40.09%, 43.09%, 48.27% and 36.07%, respectively, of our total revenue from operations on a pro forma basis.

We have strong marketing and distribution capabilities within India, with more than 6,300 personnel, of which more than 4,900 were medical representatives as at September 30, 2021. Our medical representatives interact regularly with doctors and other healthcare providers to introduce and build awareness on our pharmaceutical products. For our business outside India, we employ a calibrated and differentiated approach to enter and expand in each of our markets so as to address the unique characteristics of each market, such as, among other factors, its regulatory landscape, market size, competitive landscape and scope for our products. We believe that our market-specific growth strategies have allowed us to deepen our presence in our existing international markets while also expanding into other international markets in a cost efficient and profitable manner.

Manufacturing and R&D capabilities

Our revenue from operations and profitability are affected by our ability to constantly develop products through R&D, and to manufacture our products cost-efficiently. We have eight manufacturing units in India. In addition, through manufacturing agreements, we have access to a manufacturing unit in India that is owned and operated by a Promoter Group entity, and through our Associate Company, PT Sampharindo Retroviral Indonesia, access to a manufacturing unit in Indonesia, and intend to further expand our capabilities and capacities. For further details on our manufacturing facilities, see “*Our Business – Description of Our Business – Manufacturing Facilities and Approvals*” on page 181. In order to meet the demand for our products and to develop and introduce newer products in new therapies, we are setting up two new manufacturing units at Jammu and one new unit at Dahej, and are expanding our capacity at our units in Sikkim and Indore. As at September 30, 2021, we operated six DSIR approved R&D centers, of which there is one NABL-certified pathology, and three biostudy centers with 248 beds, and our R&D team consisted of more than 1,900 qualified scientists and researchers. We have also recently opened our seventh R&D center and have another upcoming R&D center, both of which are in Mumbai (Maharashtra). For further details on our R&D capabilities, see “*Our Business – Description of Our Business – Research and Development*” on page 178.

Our facilities are capable of producing pharmaceutical products in a wide range of formulations across several major therapeutic areas, including anti-infectives, anti-hypertension, anti-diabetic, dermatology, and hormone treatment. Our manufacturing and development capabilities include formulations in multiple dosage forms, such as oral solids (tablets), oral liquids, dry syrups, soft-gelatin capsules, topicals, granules and injectables. These capabilities enable us to produce a wide range of products within various therapies to grow our presence in such therapies and gain significant market share in various molecular groups/ therapeutic segments. For instance, we produce a range of products within anti-TB formulations, including 3HP to treat latent TB infections, 2 and 4-drug fixed dose combinations (“2FDC” and “4FDC” respectively), and supply an extensive range of anti-TB formulations. We also manufacture our own APIs that has allowed us to attain vertical integration, reduce dependence on imports, control operating costs, ensure quality stability of essential raw materials for our formulations. We intend to continue to focus on improving vertical integration in our manufacturing operations, including through our new manufacturing facilities that will manufacture key starting materials and APIs (particularly Rifampicin) under the PLI Schemes and for other therapies such as oncology. See “*Our Business – Description of Our Business – Manufacturing Facilities and Approvals*” on page 181.

To remain competitive, we intend to focus on R&D activities that result in innovative products in terms of increasing efficacy through novel drug delivery systems, which in turn helps expand our product portfolio. For example, we have scaled new brands in short durations, with our brand Panderm++, crossing ₹ 1 billion in Domestic Sales in Fiscal 2021 and ranking 1st in the molecular group of Clobetasol+Miconazole+Neomycin in the IPM (by Domestic Sales), within three years from launch of the brand (*Source: IQVIA Dataset*). New brands that we have launched in the last three Fiscals, such as Vildamac and Vildamac M, in established molecule groups of Vildagliptin and Vildagliptin+Metformin in the anti-diabetic market have gained market share among non-innovator brands in the IPM (Vildamac comprised 7.3% of the Vildagliptin market, and Vildamac M comprised a market share of 8.6% of the Vildagliptin+Metformin market) by Domestic Sales in the six months ended September 30, 2021 (*Source: IQVIA Dataset*). Other recently launched brands such as Dapamac and Damita in the Dapagliflozin molecular group have together emerged as the 4th largest in such molecular group, in the non-innovator branded market, by Domestic Sales in the six months ended September 30, 2021 (*Source: IQVIA Dataset*). To develop our product pipeline, we commit substantial time, funds and other resources in R&D. For further details, see “*Our Business – Description of Our Business – Research and Development*” on page 178.

In Fiscals 2019, 2020, 2021 and the six months ended September 30, 2021, our R&D expenses were ₹2,722.00 million, ₹2,850.88 million, ₹3,087.40 million and ₹1,871.19 million, respectively, representing 4.64%, 4.13%, 4.29% and 4.59%, respectively, of our revenue from operations, and 5.84%, 5.36%, 5.89% and 5.51% respectively, of our total expenses, on a pro forma basis. Our profitability therefore largely depends on the success of our R&D activities, including commercialization of products, and our ability to manufacture a variety of formulations for different therapeutic segments.

Cost of raw materials and third-party manufacturing

Our cost of materials consumed constitutes one of the largest components of our total expenses. In Fiscals 2019, 2020, 2021 and the six months ended September 30, 2021, our cost of raw material consumed on a pro forma basis, was ₹15,361.05 million, ₹16,315.90 million, ₹15,786.57 million and ₹11,493.96 million, respectively, representing 32.98%, 30.69%, 30.11% and 33.87%, respectively, of our total expenses. We depend on third-party suppliers for certain of our raw materials and finished products. The key raw materials that we use for our

manufacturing operations include APIs for our formulations, key starting materials and intermediaries for our internally manufactured APIs and other chemicals and packaging materials.

We currently source most of our key raw materials from suppliers in India and China. In Fiscals 2019, 2020, 2021 and the six months ended September 30, 2021, certain suppliers individually contributed to more than 5.00% of our total expenses. As we continue to grow our product portfolio and increase our production capacities, we believe we will benefit from increasing economics of scale. We identify and approve multiple suppliers to source our key raw materials and we place purchase orders with them from time to time. As our business grows, we will also need to procure higher volumes of raw materials. We typically do not enter into long-term supply contracts with any of our suppliers and instead negotiate and place purchase orders with them from time to time. We are thus exposed to fluctuations in availability and prices of our raw materials, including on account of exchange rate fluctuations. While we have not experienced major disruptions in sourcing our raw materials in the past, we may not be able to effectively pass on any significant or unusual price increases in the cost of raw materials to our customers in the future, which may affect our margins, sales, results of operations and cash flows.

We also engage with third-party manufacturers for manufacturing certain products including various MDIs, 4FDC and 3HP, mainly from our Promoter Group entity M/s Oxalis Labs. For Fiscal 2019, 2020, 2021 and the six months ended September 30, 2021, products manufactured through third-party manufacturing arrangements contributed to 20.56%, 23.96%, 26.53% and 22.01% of our total revenue from operations in the same periods, respectively.

We seek to diversify our procurement base, reduce the amount of materials that we import, and procure more materials from Indian suppliers. In addition, while we have attained a degree of vertical integration, we have invested and will continue to invest in further integration of key starting materials to become more self-reliant and less dependent on our vendors for raw materials. Our ability to contain costs as our business grows will largely depend on the extent to which we achieve further integration of our operations, manage the cost of our raw material and diversify our procurement base of key starting materials. Also see, “*Risk Factors – We may experience a shortfall in the supply of our raw materials or an increase in their prices, or of other input costs.*” on page 37.

Regulatory framework and quality compliance

We operate in a regulated industry and our operations, including our development, testing, manufacturing, marketing and sales activities, are subject to regulations in India and other countries. We are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in India, including those required by pharmaceutical industry regulators for carrying out our business and for each of our manufacturing facilities and R&D centers. We are also subject to various laws and regulations in the international markets where we market and sell our products and have ongoing duties to regulatory authorities in these markets, such as the USFDA, MHRA, WHO, EDQM and the National Department of Health of South Africa, both before and after a product’s commercial release.

Our manufacturing facilities have received certain regulatory approvals and accreditations, which enable us to supply our products in markets outside India. Our facilities and products are subject to periodic inspection/audit by regulatory agencies, and if we are not in compliance with any of their requirements, our facilities and products may be subject to regulatory action, including a temporary or permanent restriction to market and sell our products in certain jurisdictions or result in the withdrawal of a product from certain markets or affect approvals of new products from the respective manufacturing facility. In 2017, US FDA had inspected our Baddi unit and issued an ‘Untitled Letter’ dated December 31, 2018, other than this there are no material pending adverse observations as at September 30, 2021. See also “*Risk Factors – Manufacturing activities may subject us to regulatory action, litigation or other liabilities*” on page 38. Changes in these laws and regulations may increase our compliance costs and affect our business, prospects, results of operations and financial condition. Moreover, in countries where we have limited experience, we may need to comply with additional regulations, including on the import and export of certain intermediates, drugs, technologies and multiple and possibly overlapping tax structures.

We are also required to meet various quality standards and specifications for our customers under our supply contracts and quality agreements entered into with our customers. Our customer contracts may also require us to replace or provide credit in exchange for products that have expired and are returned by our customers within a stipulated period. Our profitability may therefore be affected to the extent of any credit notes extended to our customers. Also see, “*Risk Factors – We are subject to extensive government regulation and may fail to obtain, maintain or renew statutory and regulatory licenses, permits and approvals required to operate our business both in India and abroad.*”

Tax and other statutory incentives

We benefit from certain tax regulations, incentives and export promotion schemes that accord favorable treatment to certain of our manufacturing and R&D facilities. Between Fiscals 2019 and Fiscal 2021, we availed income tax benefits under the Income Tax Act, 1961 in relation to the profits derived from our manufacturing unit in Sikkim. These benefits are also available to us for our manufacturing unit in Indore from Fiscal 2020 to Fiscal 2030, while such unit is not currently profitable. For further information, see “*Statement of Special Tax Benefits*” on page 108.

We currently avail the following direct tax benefits: (i) income tax benefits for our unit located in Sikkim for deduction of income tax payable at the rate of 100.00% of the profits and gains derived from the facility; we have benefited from this deduction since Fiscal 2016 and expect to continue to be eligible until Fiscal 2025; (ii) deduction in respect of capital expenditure in addition to revenue expenditure incurred in relation to in-house scientific research and development facility; (iii) additional 30% deduction in respect of cost of additional manpower employed for three years; and (iv) additional 20% depreciation on the actual cost of eligible new plant and machinery acquired and installed.

We current avail the following indirect tax benefits: (i) zero rated supply for export of goods and services including supplies to SEZ units (including our unit at Indore); (ii) exemption of custom duties on imports based on advance authorization license and consequent export obligation; (iii) duty drawbacks on exports of goods; and (iv) benefits under budgetary support scheme under GST regime as notified for North Eastern states for our unit located in Sikkim. For further information, see “*Statement of Special Tax Benefits*” on page 108.

Furthermore, our upcoming facility in Jammu for fermentation-based production of Rifampicin, an API primarily used in treating TB, is expected to receive certain benefits under the first production-linked incentive scheme launched by the Department of Pharmaceuticals, Indian Ministry of Chemicals and Fertilisers (“**PLI Scheme**”), on satisfying certain sales and investment limits. We have also been selected as one of the players under the second PLI Scheme for manufacturing anti-diabetic, anti-infective, and anti-hypertension drugs. The PLI Schemes entitle eligible manufacturers to receive certain financial incentives over a period of 6 years, on meeting certain sales and investment targets based on the product-category.

These tax benefits and incentives contribute to our results of operations and cash flows and a change in tax benefits and incentives available to us would likely affect our profitability. See also “*Risk Factors – Internal Risk Factors – Risks Related to Our Business – We are currently entitled to certain tax incentives and export promotion schemes, but these are subject to decrease or discontinuation.*” on page 53.

Key Performance Indicators and Certain Non-GAAP Measures

In evaluating our business, we consider and use certain non-GAAP financial measures and key performance indicators that are presented below as supplemental measures to review and assess our operating performance. The presentation of these non-GAAP financial measures and key performance indicators are not intended to be considered in isolation or as a substitute for the Pro Forma Consolidated Financial Information or the Restated Consolidated Financial Information. We present these non-GAAP financial measures and key performance indicators because they are used by our management to evaluate our operating performance. These non-GAAP financial measures are not defined under Ind AS and are not presented in accordance with Ind AS. The non-GAAP financial measures and key performance indicators have limitations as analytical tools. Further, these non-GAAP financial measures and key performance indicators may differ from the similar information used by other companies, including peer companies, and hence their comparability may be limited. Therefore, these matrices should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operation.

Based on our Restated Consolidated Financial Information

EBITDA and EBITDA Margin

EBITDA is calculated as our profit before tax less other income, plus depreciation and amortization and finance costs. EBITDA Margin is defined as our EBITDA as a percentage of revenue from operations.

The table below reconciles our profit / loss for the year to EBITDA for the periods indicated.

	As of and for the years ended March 31,			As of and for the six months ended September 30,
	2019	2020	2021	2021
	(Amount in ₹ million, except percentages)			
Profit before tax for the year/ period	15,178.81	18,597.98	25,060.26	7,004.46
Less:				
Other income	4,424.63	3,593.17	5,500.68	135.46
Add:				
Depreciation and amortization expenses	1,229.36	1,304.21	1,344.00	798.23
Finance cost	56.41	77.60	63.02	31.64
EBITDA	12,039.95	16,386.62	20,966.60	7,698.87
EBITDA Margin	20.51%	23.74%	29.12%	18.87%

ROCE

ROCE (pre-tax) is defined as EBIT divided by average Capital Employed, where Capital Employed is defined as the sum of fixed assets, other intangibles, goodwill, inventories, trade receivables, less trade payables:

Particulars	As of and for the years ended March 31,			As of and for the six months ended September 30,
	2019	2020	2021	2021
	(Amount in ₹ million, except percentages)			
Fixed Assets				
- Property, Plant And Equipment	9,375.18	10,176.80	13,407.70	14,158.61
- Investment Properties	99.69	271.90	267.01	264.55
- Right-Of-Use Assets	220.49	596.48	621.86	618.21
Total Fixed Assets	9,695.36	11,045.18	14,296.57	15,041.37
Other Intangibles	54.64	64.20	56.65	50.95
Goodwill	28.40	28.40	0.00	0.00
Inventories	8,355.58	9,879.12	15,625.51	16,803.71
Trade Receivables	9,991.34	12,637.66	10,219.73	10,536.42
Trade Payables	(5,273.22)	(7,698.52)	(6,673.14)	(8,491.63)
Total Working Capital	13,073.70	14,818.23	19,172.10	18,848.50
Total Capital Employed	22,852.10	25,956.01	33,525.32	33,940.82
Average Capital Employed	20789.99	24,404.05	29,740.66	33,733.07
EBIT	10,810.59	15,082.41	19,622.60	6,900.64
ROCE	52.00%	61.80%	65.98%	20.46%

ROE

ROE is defined as profit for the period divided by average tangible net-worth (tangible net-worth is calculated as total equity less goodwill on consolidation, intangible assets and intangible assets under development) at the end of the period):

	As of and for the years ended March 31,			As of and for the six months ended September 30,
	2019	2020	2021	2021
	(Amount in ₹ million, except percentages)			
Profit for the year / period	14,234.57	15,721.15	20,228.44	6,380.51
Average tangible net-worth	53,173.53	67,816.75	56,732.43	40,978.32
Return on Equity	26.77%	23.18%	35.66%	15.57%

Fixed Asset Turnover

Fixed Asset Turnover is calculated as our revenue from operations divided by average fixed assets.

Particulars	As of and for the years ended March 31,			As of and for the six months ended September 30, 2021
	2019	2020	2021	
	(Amount in ₹ million, except percentages)			
Revenue from operation	58,704.35	69,028.16	71,994.16	40,801.55
Average Fixed Assets	9,644.63	10,370.27	12,670.88	14,668.97
Fixed Asset Turnover	6.09	6.66	5.68	2.78

Profit Margin

Profit margin is calculated as profit for the year/ period divided by revenue from operations.

Particulars	As of and for the years ended March 31,			As of and for the six months ended September 30, 2021
	2019	2020	2021	
	(Amount in ₹ million, except percentages)			
Profit for the year/period	14,234.57	15,721.15	20,228.44	6,380.51
Revenue from operation	58,704.35	69,028.16	71,994.16	40,801.55
Profit margin Ratio	24.25%	22.77%	28.10%	15.64%

Based on our Pro Forma Consolidated Financial Information

EBITDA and EBITDA Margin

EBITDA is calculated as our profit before tax less other income, plus depreciation and amortization and finance costs. EBITDA Margin is defined as our EBITDA as a percentage of revenue from operations.

The table below reconciles our profit / loss for the year to EBITDA on a pro forma basis for the periods indicated.

	As of and for the years ended March 31,			As of and for the six months ended September 30,
	2019	2020	2021	2021
	(Amount in ₹ million, except percentages)			
Profit before tax for the year/ period	12,522.62	16,883.14	20,402.25	7,004.46
Less:				
Other income	399.46	1,021.77	842.67	135.46
Add:				
Depreciation and amortization expenses	1,229.36	1,304.21	1,344.00	798.23
Finance cost	56.41	77.60	63.02	31.64
EBITDA	13,408.93	17,243.18	20,966.60	7,698.87
EBITDA Margin	22.84%	24.98%	29.12%	18.87%

ROCE

ROCE (pre-tax) is defined as EBIT divided by average Capital Employed, where Capital Employed is defined as the sum of fixed assets, other intangibles, goodwill, inventories, trade receivables, less trade payables:

Particulars	As of and for the years ended March 31,			As of and for the six months ended September 30, 2021
	2019	2020	2021	
	(Amount in ₹ million, except percentages)			
Fixed Assets				

Particulars	As of and for the years ended March 31,			As of and for the six months ended September 30, 2021
	2019	2020	2021	
	(Amount in ₹ million, except percentages)			
- Property, Plant And Equipment	9,339.53	10,141.15	13,407.70	14,158.61
- Investment Properties	99.69	271.90	267.01	264.55
- Right-Of-Use Assets	220.49	596.48	621.86	618.21
Total Fixed Assets	9,659.71	11,009.53	14,296.57	15,041.37
Other Intangibles	54.64	64.20	56.65	50.95
Goodwill	-	-	-	-
Inventories	8,355.58	9,879.12	15,625.51	16,803.71
Trade Receivables	9,986.25	12,637.66	10,219.73	10,536.42
Trade Payables	(5,273.18)	(7,698.52)	(6,673.14)	(8,491.63)
Total Working Capital	13,068.65	14,818.26	19,172.10	18,848.50
Total Capital Employed	22,783.00	25,891.99	33,525.32	33,940.82
Average Capital Employed	20,755.45	24,337.49	29,708.66	33,733.07
EBIT	12,179.57	15,938.97	19,622.60	6,900.64
ROCE	58.68%	65.49%	66.05%	20.46%

Fixed Asset Turnover

Fixed Asset Turnover is calculated as our revenue from operations divided by average fixed assets.

Particulars	As of and for the years ended March 31,			As of and for the six months ended September 30, 2021
	2019	2020	2021	
	(Amount in ₹ million, except percentages)			
Revenue from operation	58,704.35	69,028.16	71,994.16	40,801.55
Average Fixed Assets	9,626.80	10,334.62	12,653.05	14,668.97
Fixed Asset Turnover	6.10	6.68	5.69	2.78

Profit Margin

Profit margin is calculated as profit for the year/ period divided by revenue from operations.

Particulars	As of and for the years ended March 31,			As of and for the six months ended September 30, 2021
	2019	2020	2021	
	(Amount in ₹ million, except percentages)			
Profit for the year/period	11,921.30	14,611.95	16,307.18	6,380.51
Revenue from operation	58,704.35	69,028.16	71,994.16	40,801.55
Profit margin Ratio	20.31%	21.17%	22.65%	15.64%

Significant Accounting Policies for the Restated Consolidated Financial Information

Compliance with Indian Accounting Standards (Ind-AS)

The Restated Consolidated Financial Information as at and for the period ended September 30, 2021, have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (“**Ind AS**”) as notified under Section 133 of the Companies Act, 2013 (the “**Act**”) read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015, and presentation requirements of revised Schedule III under the Act as amended by the Ministry of Corporate Affairs and other relevant provisions of the Act and accounting principles generally accepted in India.

The Restated Consolidated Financial Information have been prepared by the Company and its subsidiaries (the “**Group**”) as a going concern on the basis of relevant Ind AS that are effective or elected for early adoption at our Group’s reporting date, September 30, 2021.

Basis Of Preparation Of Financial Statements

Basis of preparation and presentation of our Restated Consolidated Financial Information

The Restated Consolidated Financial Information have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Act, other relevant provisions of the Act and rules framed thereunder. These financial statements have been prepared by our management solely for the purpose of inclusion in this Draft Red Herring Prospectus in accordance with 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, in pursuance of provisions of Securities and Exchange Board of India Act, 1992, in connection with the proposed initial public offering of the equity shares of the Company and accordingly, the comparative financial statements, as required under Ind AS 34 “Interim Financial Reporting” are not supposed to include in these financial statements, but on account of restatement of previous year’s numbers, our management also presented comparative balance sheet as per Ind AS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”.

The preparation of these financial information in conformity with Ind AS requires the use of certain critical accounting estimates. It also requires our management to exercise its judgment in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or area where assumptions and estimates are significant to these financial statements are disclosed in [●].

All assets and liabilities have been classified as current and non-current as per the Company’s normal operating cycle and other criteria set out in the Schedule III of the Act and Ind AS 1 “Presentation of Financial Statements”.

The Restated Consolidated Financial Information are also compliant with the disclosure requirements as made applicable to companies with effect from April 1, 2021 vide amendments to Schedule III of the Act dated March 24, 2021.

Basis of measurement

The Restated Consolidated Financial Information have been prepared on the historical cost convention and on accrual basis, except for the following material items in the balance sheet:

- financial assets and liabilities are measured either at fair value or at amortized cost depending on the classification.
- defined benefit plans - plan assets measured at fair value.
- lease liability and right-of-use assets measured at fair value.

Functional and presentation currency

The Restated Consolidated Financial Information are presented in Indian Rupees. All amounts disclosed in the Restated Consolidated Financial Information and notes thereto have been rounded off to the nearest million or decimal thereof as per the requirement of Schedule III of the Act, unless otherwise stated. Amount less than ₹5,000 is presented as zero. Items included in the consolidated financial statements of each of our Group’s entities are measured using the currency of the primary economic environment in which the entity operates unless use of a different currency is appropriate.

Consistency of accounting policy

The accounting policies are applied consistently to all the periods presented in the Restated Consolidated Financial Information, except where a newly issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hitherto in use.

Use of estimates and judgments

The preparation of the Restated Consolidated Financial Information in conformity with Ind AS requires our management to make estimates and assumptions considered in the reported amounts of assets and liabilities

(including contingent liabilities) and the reported income and expenses during the period. Our management believes that the estimates used in preparation of the Restated Consolidated Financial Information are prudent and reasonable. Actual results may differ from these estimates. Any revision of these estimates is recognized prospectively in the current and future periods. Estimates and underlying assumptions are reviewed on an ongoing basis.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the accounting policies.

Following are the critical judgements and estimates:

Judgments

(i) Leases - Ind AS 116

“Leases” requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. Our Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, our Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to our Group’s operations taking into account the location of the underlying asset and the availability of suitable alternatives.

(ii) Provisions and contingent liabilities

Our Group exercises judgment in measuring and recognizing provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, government regulation, as well as other contingent liabilities. Judgment is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

(iii) Research and developments costs

Our management monitors progress of internal research and development projects by using a project management system. Significant judgment is required in distinguishing research from the development phase. Development costs are recognized as an asset when all the criteria are met, whereas research costs are expensed as incurred. Our management also monitors whether the recognition requirements for development costs continue to be met. This is necessary due to inherent uncertainty in the economic success of any product development.

(iv) Income taxes

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

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

Estimates

(i) Sales returns

Our 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 our Group's estimate of expected sales returns. Our Group deals in various products and operates in various markets. Accordingly, the estimate of sales returns is determined primarily by our Group's historical experience in the markets in which our Group operates. With respect to established products, our 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 our Group's business and markets.

(ii) Expected credit loss

Our Group applies the expected credit losses ("ECL") model for measurement and recognition of loss allowance on the following:

- trade receivables and lease receivables;
- financial assets measured at amortized cost (other than trade receivables and lease receivables); and
- financial assets measured at fair value through other comprehensive income (FVTOCI).

In accordance with Ind AS 109, our Group applies the ECL model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

For this purpose, our Group follows a 'simplified approach' for recognition of impairment loss allowance on the trade receivable balances. The application of simplified approach does not require our Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, our Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

In case of other assets, our Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

(iii) Useful lives of property, plant and equipment, and intangible assets

Property, plant and equipment, and intangibles assets represent a significant proportion of the asset base of our Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of our Group's assets are determined by our management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

(iv) Accounting for defined benefit plans

In accounting for post-retirement benefits, several statistical and other factors that attempt to anticipate future events are used to calculate plan expenses and liabilities. These factors include expected return on

plan assets, discount rate assumptions and rate of future compensation increases. To estimate these factors, actuarial consultants also use estimates such as withdrawal, turnover, and mortality rates which require significant judgement. The actuarial assumptions used by our Group may differ materially from actual results in future periods due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans.

(v) Impairment

An impairment loss is recognized for the amount by which an asset's or cash generating unit's carrying amount exceeds its recoverable amount to determine the recoverable amount. Our management estimates expected future cash flows from each asset or cash generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, our management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary and may cause significant adjustments to our Group's assets. In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset specific risk factors.

(vi) Fair value of financial instruments

Our management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques, our management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, our management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

(vii) Current and non-current classification

All assets and liabilities are presented in the Balance Sheet based on current or non-current classification as per our Group's normal operating cycle and other criteria set out in Schedule III of the Act and Ind AS 1 "Presentation of Financial Statements". Based on the nature of products and the time between the acquisition of assets for processing and their realization, our Group has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

An asset is treated as current when it is: expected to be realized or intended to be sold or consumed within the normal operating cycle; held primarily for the purpose of trading; expected to be realized within 12 months after the reporting period; and cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when: it is expected to be settled within the normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; and there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(viii) Principles of consolidation

The Restated Consolidated Financial Information relate to our Company, its subsidiaries and associates. Subsidiaries are all entities over which the Company exercises control. The Company exercises control if and only if it has the following: power over the entity; exposure, or rights, to variable returns from its involvement with the entity; and the ability to use its power over the entity to affect the amount of its returns.

The Restated Consolidated Financial Information have been prepared on the following basis:

- The consolidated financial statements of our Group have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions and resulting unrealized profits. Unrealized losses resulting from intra-group transactions are eliminated unless cost cannot be recovered.
- Our Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of our Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity.
- The profit and other comprehensive income attributable to non-controlling interest of subsidiaries are shown separately in the consolidated profit or loss and consolidated statement of changes in equity.
- An associate is an entity over which our Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the associate but is not control or joint control of those policies. Investments in associates are accounted for using the equity method unless otherwise stated.
- Under the equity method, on initial recognition the investment in an associate is recognized at cost. The carrying amount of the investment in associates is increased or decreased to recognize our Group's share of the profit or loss after the date of acquisition, unless the share purchase agreement specifies otherwise. When necessary, adjustments are made to bring the accounting policies in line with those of our Group. Unrealized gains and losses on transactions between our Group and its associates are eliminated to the extent of our Group's interest in those entities. Where unrealized losses are eliminated, the underlying asset is also tested for impairment.
- The financial statements of the subsidiaries and associates used for the purpose of consolidation are drawn up to the same reporting date as that of our Group.
- The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner, as our Group's separate financial statements.
- Upon loss of control, our Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in the consolidated profit or loss. If our Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a FVTOCI or FVTPL financial asset, depending on the level of influence retained.

Significant Accounting Policies for the Restated Consolidated Financial Information

Property, Plant & Equipment and Depreciation

Recognition and Measurement

Our Group has elected to continue with the carrying value of its Property, plant and equipment on basis of historical cost as recognized in the consolidated financial statements pursuant to the exemption under Ind AS 101.

The Cost of an Item of Property, Plant & Equipment is determined as under:

- Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and if any accumulated impairment losses. The cost of fixed assets comprises of its purchase price, non-refundable taxes & levies, freight and other incidental expenses related to the acquisition and installation of the respective assets. Borrowing cost attributable to financing of acquisition or construction of the qualifying fixed assets is capitalized to respective assets when the time taken to put the assets to use is substantial.

- When major items of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. The cost of replacement of any property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefit associated with the item will flow to our Group and its cost can be measured reliably.
- Our Group identifies and determines cost of each component/part of the plant and equipment separately, if the component/part has a cost which is significant to the total cost of the plant and equipment and has useful life that is materially different from that of the remaining plant and equipment.
- Capital work in progress are those which are not ready for intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest less impairment loss, if any.
- Pre-operative expenditure comprising of revenue expenses incurred in connection with project implementation during the period up to commencement of commercial production are treated as part of the project costs and are capitalized. Such expenses are capitalized only if the project to which they relate, involve substantial expansion of capacity or upgradation.
- Gains or losses arising from derecognition of tangible property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset determined post depreciation at the time of its disposal and are recognized in the Statement of Profit and Loss when the asset is derecognized. Any gain or loss on disposal of an item of property, plant and equipment is recognized in Statement of Profit and Loss.
- Items of a capital nature valuing not more than ₹5,000 are however charged to revenue in the Statement of Profit and Loss and not capitalized. Accordingly, there is no depreciation charged on these assets.

Subsequent Expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to our Group.

Depreciation

Freehold land is carried at historical cost and not depreciated. Depreciation is provided, pro-rata for the period of use, on the straight-line method, based on the respective estimate of useful lives as given below. Estimated useful lives of assets are determined based on technical parameters / assessments. The estimated useful lives, residual values and depreciation method are reviewed at each financial year-end and changes in estimates, if any are accounted for on a prospective basis.

As a result of uncertainties inherent in business activities, the residual values of depreciable assets cannot be measured with precision and hence our Group has determined to depreciate the assets over its useful life which is prescribed under Part C of Schedule II to Act leaving no residual value. Useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end.

Our management believes that useful lives currently used, which is as prescribed under Part C of Schedule II to the Act, fairly reflect its estimate of the useful lives of its assets and depreciated accordingly to the estimated useful lives of assets as prescribed.

The estimated useful lives of assets are as follows:

Type of Assets	Useful Life
Leasehold Land	Over lease Period
Office Buildings	60 Years
Factory Buildings	30 Years
Plant and Equipment	15 to 20 Years
Laboratory Equipment	10 to 20 Years
Electrical Equipment	10 Years
Furniture & Fixtures	10 Years
Office Equipment	5 to 6 Years

Type of Assets	Useful Life
Computer Equipment	3 Years
Vehicles	8 Years

Intangible Assets

Recognition and Measurement

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises of its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Our Group has elected to continue with the carrying value of all its intangible assets on basis of historical cost as recognized in the consolidated financial statements pursuant to the exemption under Ind AS 101.

Subsequent Expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to our Group.

Expenditure on Regulatory Approval

Expenditure for obtaining regulatory approvals and registration of products for overseas markets is charged to the profit or loss.

Amortization

Intangible assets are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset are reviewed at least at the end of each reporting period. The amortization expense on intangible assets is recognized in the Statement of Profit and Loss.

The estimated lives for amortization of intangible assets are as follows:

Type of Assets	Useful Life
Trade Marks & Brand Rights	5 Years
Software	5 Years

The estimated useful lives of intangible assets and the amortization period are reviewed at the end of each financial year and the amortization method is revised to reflect the changed pattern, if any.

Foreign Currency Transaction and Translation

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at reporting date end exchange rates are generally recognized in the Statement of Profit and Loss.

Non-monetary assets and liabilities that are measured at historical cost in foreign currency are not retranslated.

However, foreign currency differences arising from the translation of exchange differences on translation of financial statements of foreign operations are recognized in other comprehensive income.

Leases

Our Group assesses at contract inception whether a contract is or contains a lease, which applies, if the contract conveys the right to control the use of the identified asset for a period of time in exchange for consideration. Our Group recognized right-of-use asset at the commencement date of the lease, i.e. the date the underlying asset is available for use. Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments to be made over the lease term:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by our Group under residual value guarantees; and
- payments of penalties for terminating the lease, if the lease term reflects our Group exercising that option.

The lease payments are discounted using the incremental borrowing rate. If that rate cannot be readily determined, which is generally the case for leases in our Group, and then the lessee's incremental borrowing rate is used. Such borrowing rate is calculated as the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. Our Group's lease liabilities are included in borrowings.

Lease payments are allocated between principal and interest cost. The interest cost is charged to consolidated statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost less accumulated depreciation and accumulated impairment comprised of the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Our Group has elected not to apply requirements of Ind AS 116 to leases that has a term of 12 months or less and leases for which the underlying asset is of low value. The methodology and assumptions used to estimate low value assets are monitored in the light of historical trends and past experience by our management. Lease payments of such lease are recognized as an expense on straight line basis over the lease term.

The right-of-use assets are initially recognized on the balance sheet at cost, which is calculated as the amount of the initial measurement of the corresponding lease liability, adjusted for any lease payments made at or prior to the commencement date of the lease, any lease incentive received and any initial direct costs incurred by our Group.

As a lessor

Leases for which our Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When our Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease

Arrangements in the nature of lease

Our Group enters into agreements, comprising a transaction or series of related transactions that does not take the legal form of a lease but conveys the right to use the asset in return for a payment or series of payments. In case of such arrangements, our Group applies the requirements of Ind AS 116 "Leases" to the lease element of the arrangement. For the purpose of applying the requirements under Ind AS 116 "Leases", payments and other

consideration required by the arrangement are separated at the inception of the arrangement into those for lease and those for other elements.

Revenue Recognition

A contract with a customer exists only when the parties to the contract have approved it and are committed to perform their respective obligations, our Group can identify each party's rights regarding the distinct goods or services to be transferred, our Group can determine the transaction price for the goods or services to be transferred, the contract has commercial substance and it is probable that our Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

Revenues are recorded in the amount of consideration to which our Group expects to be entitled in exchange for performance obligations upon transfer of control to the customer and is measured at the fair value of the consideration received or receivable, net of returns, sales tax and applicable trade discounts, allowances, goods and services tax ("GST") and amounts collected on behalf of third parties.

Sale of products

The majority of customer contracts that our Group enters into consist of a single performance obligation for the delivery of pharmaceutical products. Our Group recognizes revenue from product sales when control of the product transfers, generally upon shipment or delivery, to the customer, or in certain cases, upon the corresponding sales by customer to a third party. Our Group records product sales net of estimated incentives / discounts, returns, and other related charges. These are generally accounted for as variable consideration estimated in the same period the related sales occur. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. The revenue for such variable consideration is included in our Group's estimate of the transaction price only if it is highly probable that a significant reversal of revenue will not occur once any uncertainty is resolved. In making this assessment our Group considers its historical record of performance on similar contracts.

Sales by clearing and forwarding agents

Revenue from sales of products in India is recognized upon delivery of products to distributors by clearing and forwarding agents of our Group. Control in respect of ownership of products is transferred by our Group when the goods are delivered to distributors from clearing and forwarding agents. Clearing and forwarding agents are generally compensated on a commission basis as a percentage of sales made by them.

Out-licensing arrangements

Revenues include amounts derived from product out-licensing agreements. Our Group enters into collaborations and out licensing arrangements of our products to other parties.

Licensing arrangements performance obligations generally include intellectual property (IP) rights, certain R&D and contract manufacturing services. Our Group accounts for IP rights and services separately if they are distinct i.e. if they are separately identifiable from other items in the arrangement and if the customer can benefit from them on their own or with other resources that are readily available to the customer. The consideration is allocated between IP rights and services based on their relative stand-alone selling prices.

Revenue from IP rights is recognized at the point in time when control of the distinct license is transferred to the customer, our Group has a present right to payment and ownership is transferred to the customer.

Revenue from sales-based milestones and royalties promised in exchange for a license of IP is recognized only when, or as, the later of subsequent sale or the performance obligation to which some or all of the sales-based royalty has been allocated, is satisfied. Our Group estimates variable consideration in the form of sales-based milestones by using the expected value or most likely amount method, depending on which method our Group expects to better predict the amount of consideration to which it will be entitled.

Service fee

Revenue from services rendered is recognized in the profit or loss as the underlying services are performed. Upfront non-refundable payments received under these arrangements are deferred and recognized as revenue over the expected period over which the related services are expected to be performed.

Profit sharing revenues

Our Group from time to time enters into marketing arrangements with certain business partners for the sale of its products in certain markets. Under such arrangements, our Group sells its products to the business partners at a non-refundable base purchase price agreed upon in the arrangement and is also entitled to a profit share which is over and above the base purchase price. The profit share is typically dependent on the business partner's ultimate net sale proceeds or net profits, subject to any reductions or adjustments that are required by the terms of the arrangement. Such arrangements typically require the business partner to provide confirmation of units sold and net sales or net profit computations for the products covered under the arrangement.

Revenue in an amount equal to the base sale price is recognized in these transactions upon delivery of products to the business partners. An additional amount representing the profit share component is recognized as revenue only to the extent that it is highly probable that a significant reversal will not occur.

At the end of each reporting period, our Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to our Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividends

Dividend income from investments is recognized when the right to receive payment has been established, provided that it is probable that the economic benefits will flow to our Group and the amount of income can be measured reliably.

Taxes

Current income tax

Tax expense comprises of current and deferred tax and includes any adjustments related to past periods in current and/or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period. The provision for current tax is made at the rate of tax as applicable for the income of the previous year as defined under the Income tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

Deferred tax is recognized using the Balance Sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is expected to be recovered or settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized, either in other comprehensive income or directly in equity, is also recognized in other comprehensive income or in equity, as appropriate and not in the Statement of Profit and Loss.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists or set-off current tax assets against current tax liabilities.

Uncertain tax positions

Accruals for uncertain tax positions require our management to make judgements of potential exposures. Accruals for uncertain tax positions are measured using either the most likely amount or the expected value amount depending on which method the entity expects to better predict the resolution of the uncertainty. Tax benefits are not recognized unless the tax positions will probably be accepted by the tax authorities. This is based upon our management's interpretation of applicable laws and regulations and the expectation of how the tax authority will resolve the matter. Once considered probable of not being accepted, our management reviews each material tax benefit and reflects the effect of the uncertainty in determining the related taxable amounts.

Minimum alternative tax

Minimum alternative tax paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that our Group will pay normal income tax. Accordingly, minimum alternative tax is recognized as an asset when it is probable that the future economic benefit associated with it will flow to our Group.

Research and Development

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss in the year these are incurred. These costs are charged to the respective heads in the Statement of Profit and Loss in the year these are incurred.

The amount capitalized comprises of expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilized for research and development are capitalized and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

Inventories

Raw materials and packing materials are valued at lower of cost and net realizable value after providing for obsolescence, if any. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Consumables, work-in-progress, stock-in-trade and finished goods are valued at lower of cost and net realizable value.

Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity. Cost of inventories is determined on a weighted moving average basis.

Stores and spares are generally charged to statement of profit and loss as and when incurred.

The factors that our Group considers in determining the provision for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact our Group's

business and markets. Our Group considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Employee Benefits

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if our Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided and our Group will have no legal or constructive obligation to pay further amounts. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

Post retirement benefit plans such as gratuity are determined on the basis of actuarial valuation made by an independent actuary as at the balance sheet date. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected in balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss.

Gratuity obligations

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in Statement of Profit and Loss as past service cost.

Other benefit plan - leave encashment

Liability in respect of leave encashment becoming due or expected to be availed within one year from the balance sheet date is recognized on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of leave encashment becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary.

Termination Benefits

Termination benefits arising are recognized in the Statement of Profit and Loss when:

- (a) our Group has a present obligation as a result of past event;
- (b) a reliable estimate can be made of the amount of the obligation; and
- (c) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions, Contingent Liabilities and Contingent Assets

Provision

A provision is recognized when our Group has a present obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities and contingent assets

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognized in the financial statements. A contingent asset is disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually and, if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

Goods and Services Tax Input Credit

GST input credit is accounted for in the books in the period in which the underlying service received or goods purchased are accounted and when there is reasonable certainty in availing/utilizing the credits.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). The CODM is the Chief Executive Officer of our Group, who assesses the financial performance and position of our Group and makes strategic decisions.

Our Group's pharmaceuticals segment is a reportable segment which develops, manufactures, sells and distributes branded and generic medicines as well as Active Pharmaceutical Ingredients ("API").

The CODM reviews revenue and gross profit as the performance indicator, and does not review the total assets and liabilities for each reportable segment.

Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

Dividend Distribution to Equity Shareholders

Our Group recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of our Group. As per the corporate laws in India, a distribution

is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity in the year of approval.

Cash Flow Statement

Cash flows are reported using Indirect Method, as set out in Ind AS 7 'Statement of Cash Flows', whereby profit for the year 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 Group are segregated.

Basis of Preparation of the Pro Forma Consolidated Financial Information

Basis of preparation

The pro-forma financial information has been prepared to demonstrate the effects of the Demerger on the Company, including the results of operations and the financial position that would have resulted as if the Demerger would have taken place at the earliest date of the first periods presented, i.e. April 1, 2018. Because of their nature, the pro-forma financial information addresses a theoretical situation and therefore, does not represent Company's factual financial position or results. They purport to indicate the results of operations and the financial position that would have resulted had the said demerger would have been completed at the date prior to the first period presented but are not intended to be indicative of expected results or operations in the future periods or the future financial position of the Company.

The pro-forma financial information of the Company comprises of the pro-forma balance sheet as at September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019 and the pro-forma statement of profit and loss for six months ended September 30, 2021, and years ended March 31, 2021, March 31, 2020 and March 31, 2019, read with the notes to the pro-forma financial information (hereinafter referred as 'pro-forma financial information').

The pro-forma adjustments are based upon available information and assumptions that the management of the Company believes to be reasonable. Such pro-forma financial information has been prepared on the basis as stated in the following section "Pro-forma adjustments" and accordingly should not be relied upon as if it had been prepared in accordance with the generally accepted accounting principles.

In addition, the rules and regulations related to the preparation of pro-forma financial information in other jurisdictions may also vary significantly from the basis of preparation as set out in paragraphs below.

The pro-forma financial information for the periods and years presented has been prepared by the management basis the below financial statements / financial information prepared as per generally accepted accounting principles in India and after making the adjustments as detailed in the following section "Pro-forma adjustments"

- (a) Restated Audited Ind AS Consolidated financial information of the Group and its associates for the six months period ended September 30, 2021 and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019;
- (b) Audited Consolidated Ind AS financial statements of the Group and its associates for the years ended and as at March 31, 2021, March 31, 2020 and March 31, 2019;
- (c) Audited special purpose interim consolidated Ind AS financial statements of the Group and its associates for the six months' period ended September 30, 2021;

Further, the pro-forma financial information for all the periods and years consists of three columns wherein:

- a) Column 1 represents Restated Ind AS Consolidated Financial Information of the Group
- b) Column 2 represents proforma adjustments as mentioned in paragraph 2 below
- c) Column 3 represents total of 'a' and 'b' above

Pro-forma adjustments

The pro-forma adjustments mainly pertain to the investment divisions of our Group which were demerged by the Group as mentioned above. The relevant information (including income, expenses, assets and liabilities attributable to the Investment division) has been extracted from the Parent Company's standalone and consolidated financial information system.

Investment in Mutual Funds:

Closing balance pertaining to all the mutual funds' investments outstanding as of the respective period/year end has been eliminated from restated Ind AS consolidated financial information. Gain/ loss (realized and unrealized) relating to these investments has also been carved out from the restated consolidated Ind AS financial information.

Investment in Perpetual bonds:

Closing balance pertaining to all the perpetual bonds' investments outstanding as of the respective period/year end has been eliminated from restated Ind AS consolidated financial information. Interest income during the period /year end and interest receivable outstanding as of the respective period / year end relating to these investments has also been carved out from the restated Ind AS consolidated financial information.

Investment in Fixed deposits:

While filing the Scheme, Company has proposed to retain few fixed deposits as of the appointed date i.e., 01 January 2021. Afterwards, whatever new investment made is bifurcated between investments of the Company and investments made on behalf of the resulting company. Closing balance pertaining to all the fixed deposits except what is retained by the Parent Company outstanding as of the respective period/year end has been eliminated from restated Ind AS consolidated financial information. Interest income during the period /year end, interest receivable outstanding as of the respective period / year end along with tax assets (i.e., TDS deducted on the interest earned) relating to these fixed deposits has also been carved out from the restated Ind consolidated financial information.

Investment in East and West Clothing India Private Limited:

As per the Scheme filed, Company has also proposed to transfer its investments in one of its domestic subsidiary named East and West Clothing India Private Limited (EWCIPL). All the assets and liabilities included in the Ind AS Consolidated restated financial information of the Group which is pertaining to EWCIPL for the respective period/years has been eliminated from the restated Ind AS consolidated financial information.

Transition service cost:

Subsequent to the said demerger, the Company will be receiving payment from the resultant company towards transition services provided by the Parent Company in relation to the use of common facilities such as office premises, IT resources, housekeeping, security services etc. There are some common costs (employee cost) which Company has incurred to manage activities of investment division which is not allocated to investment division on materiality ground. The transition services cost as mentioned above is considered as proforma adjustments and same has been adjusted in the Restated Ind AS Consolidated Financial Information of the respective period/years.

Tax expenses:

Tax expense is determined for the pharmaceutical business (after carving out investment division) as if the pharmaceutical business is a separate taxable entity from the beginning of the first period presented. Hence, pro forma financial information is taken as a base to compute the tax expense and tax liabilities. Adjustment has also been made to the deferred taxes considering the adjustments made in the historical financial information.

(Note: The net accumulated impact of the proforma adjustments made as of 1 April 2018 (i.e. the beginning of the first period presented) is adjusted from the opening equity (i.e. equity as of 1 April 2018) in the Proforma Financial Information. The movement thereafter between each category of investments along with income and cost associated with these investments which is carved out from Restated Ind AS Consolidated Financial Information in each year/period is considered as net receivable/payable from the resultant company.)

Principal Components of Statement of Profit and Loss Based on our Restated Consolidated Financial Information

The following descriptions set forth information with respect to the key components of our profit and loss statements.

Income

Revenue consists of revenue from operations and other income.

Revenue from operations. Revenue from operations comprises revenue from sale of products, revenue from sale of services and other operating revenues. Revenue from sale of products comprises revenue from the sale of our formulations. Revenue from sale of services comprises revenue from sale of dossiers. Other operating revenues primarily comprises duty drawback and other export incentives, and other items such as scrap sales, GST refund received and government grants.

Other income. Other income primarily comprises interest income under the effective interest method primarily from bank deposits, dividend income, net gain on foreign currency transactions and translations, profit on sale of property, plant and equipment, write-back of expected credit loss, realized gain on investment carried at FVTPL, unrealized gain/ loss investment carried at FVTPL, and miscellaneous income such as rental income and interest on leases.

Expenditure

Expenses consist of cost of materials consumed, purchases of stock-in-trade, changes in inventories of finished goods, work-in-progress and stock-in-trade, employee benefits expenses, depreciation and amortization expense, finance cost and other expenses.

Costs of materials consumed. Cost of materials consumed comprises costs from consumption of raw materials we use to manufacture our formulations and APIs and consumption of packing materials. This also includes materials purchased and transported to third-parties for manufacture of formulation.

Purchases of stock-in-trade. Purchases of stock-in-trade relates to costs incurred towards purchases of finished dosage formulations from third party manufacturers.

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 stock of finished goods and work-in-progress formulations.

Employee benefit expenses. Employee benefits expenses comprise salaries, wages and bonus, contribution to provident and other funds, and staff welfare expenses.

Depreciation and amortization expense. Depreciation and amortization expense relate to depreciation of tangible assets (property, plant and equipment), depreciation on right-of-use assets and amortization of intangible assets. Intangible assets include our computer software, trademarks and patents.

Finance cost. Finance cost primarily comprises interest on overdrafts on lease liabilities and lease deposits.

Other expenses. Other expenses primarily comprise expenses relating to legal and professional fees, sales promotion expenses, freight and forwarding expenses, power, fuel and water expenses, job work/ processing charges, brokerage and commission on sales, consumption of stores and spare parts, and miscellaneous expenses. Set forth below is a description of these key components:

- Legal and professional fees – we mainly incur legal and professional fees for advisory services that we avail, legal proceedings that we are involved in, other consultation charges that we incur in the ordinary course of business, and for obtaining regulatory approvals and licenses in the jurisdictions in which we operate.
- Sales promotion expenses relate to costs incurred towards promotional and marketing activities.
- Freight and forwarding charges relate to costs incurred towards inward and outward freight operations, i.e. transporting our finished products from our manufacturing facilities to our depots, agents and/or further to customer locations based on agreed terms; and also includes transportation costs incurred on transporting

finished products from the manufacturing unit owned and operated by Oxalis Labs and other third-party manufacturers to depots, agents or customer locations based on agreed terms;

- Power, fuel and water expenses relate to costs incurred in our manufacturing facilities. Power and water are sourced from local authorities and charged at the prevailing rate;
- Job work/ processing charges relate to processing charges paid to loan licensee job-workers and salaries paid to contractual workers hired at our manufacturing facility;
- Brokerage and commission on sales are paid to clearing and forwarding agents for distribution within India, and to distributors that we engage outside India for sales made to customers located outside India.
- Consumption of stores and spare parts relates to factory consumables utilized at our manufacturing facilities.
- Miscellaneous expenses comprise software development expenses, training, meeting and conference expenses, and clinical and pathology charges.

Tax Expense

Tax expense consists of current tax and deferred tax.

Results of Operations Based on our Restated Consolidated Financial Information

The following table sets forth our selected restated financial data from our restated statement of profit and loss for Fiscals 2019, 2020, 2021, and the six months ended September 30, 2021, the components of which are also expressed as a percentage of restated total income for such periods:

Particulars	Fiscal						Six Months ended	
	2019		2020		2021		September 30, 2021	
	Amount (₹ million)	% based on total income	Amount (₹ million)	% based on total income	Amount (₹ million)	% based on total income	Amount (₹ million)	% based on total income
Income								
Revenue from Operations	58,704.35	92.99%	69,028.16	95.05%	71,994.16	92.90%	40,801.55	99.67%
Other Income	4,424.63	7.01%	3,593.17	4.95%	5,500.68	7.10%	135.46	0.33%
Total Income	63,128.98	100%	72,621.33	100%	77,494.84	100%	40,937.01	100%
Expenditure								
Cost of Materials Consumed	15,361.05	24.33%	16,315.90	22.46%	15,786.57	20.37%	11,493.96	28.08%
Purchases of Stock-In-Trade	6,588.77	10.44%	9,557.75	13.16%	11,976.36	15.45%	5,813.74	14.20%
Changes In Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress	507.98	0.81%	(887.34)	(1.22)%	(4,071.89)	(5.25)%	(1,418.85)	(3.47)%
Employee Benefits Expense	9,892.57	15.67%	11,589.69	15.96%	12,826.34	16.55%	8,131.08	19.86%
Finance Costs	56.41	0.09%	77.60	0.11%	63.02	0.08%	31.64	0.08%
Depreciation And Amortization Expense	1,229.36	1.95%	1,304.21	1.80%	1,344.00	1.74%	798.23	1.95%
Other Expenses	14,314.03	22.67%	16,065.54	22.12%	14,510.18	18.72%	9,082.75	22.19%
Total Expenditure	47,950.17	75.96%	54,023.35	74.39%	52,434.58	67.66%	33,932.55	82.89%
Profit Before Tax	15,178.81	24.04%	18,597.98	25.61%	25,060.26	32.34%	7,004.46	17.11%
Tax Expenses								
Current Tax	3,312.85	5.25%	3514.06	4.84%	5,074.86	6.55%	1,324.14	3.23%
Deferred Tax	(2,368.63)	(3.75)%	(637.23)	(0.88)%	(242.08)	(0.31)%	(692.60)	(1.69)%
Total Tax Expense	944.22	1.50%	2,876.83	3.96%	4,832.78	6.24%	631.54	1.54%

Particulars	Fiscal						Six Months ended September 30, 2021	
	2019		2020		2021		Amount (₹ million)	% based on total income
	Amount (₹ million)	% based on total income	Amount (₹ million)	% based on total income	Amount (₹ million)	% based on total income		
Profit After Tax Before Share of Profit/(Loss) From Associates	14,234.59	22.55%	15,721.15	21.65%	20,227.48	26.10%	6,372.92	15.57%
Share of Profit/(Loss) From Associates	(0.02)	-	-	-	0.96	-	7.59	0.02%
Profit For The Period/Year Ended	14,234.57	22.55%	15,721.15	21.65%	20,228.44	26.10%	6,380.51	15.59%
Profit For The Year Attributable To								
· Owners	14,205.23	22.50%	15,675.43	21.59%	20,206.04	26.07%	6,325.65	15.45%
· Profit Attributable To Non-Controlling Interest	29.34	0.05%	45.72	0.06%	22.40	0.03%	54.86	0.14%
Total	14,234.57	22.55%	15,721.15	21.65%	20,228.44	26.10%	6,380.51	15.59%

Six Months ended September 30, 2021

Total income. Total income was ₹ 40,937.01 million for the six months ended September 30, 2021, comprising revenue from operations and other income.

Revenue from operations. Revenue from operations was ₹ 40,801.55 million for the six months ended September 30, 2021 primarily comprising revenue from sale of products of ₹ 39,879.60 million that represented 97.74% of our revenue from operations, sale of services of ₹ 159.22 million that represented 0.39% of our revenue from operations, and other operating revenue of ₹ 762.73 million that represented 1.87% of our revenue from operations.

Other income. Other income was ₹ 135.46 million for the six months ended September 30, 2021, primarily comprising interest income on bank deposits and others, of ₹ 102.55 million, and miscellaneous income of ₹ 48.63 million.

Total expenses. Total expenses was ₹ 33,932.55 million for the six months ended September 30, 2021, primarily comprising cost of materials consumed, employee benefit expense, and other expenses.

Cost of materials consumed. Cost of materials consumed was ₹ 11,493.96 million for the six months ended September 30, 2021, and represented 33.87% of our total expenses.

Purchases of stock-in-trade. Purchases of stock-in-trade was ₹ 5,813.74 million for the six months ended September 30, 2021.

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 was ₹ (1,418.85) million for the six months ended September 30, 2021, comprising an opening inventory of ₹ 9,297.24 million and a closing inventory of ₹ 10,716.09 million.

Employee benefit expense. Employee benefit expense was ₹ 8,131.08 million for the six months ended September 30, 2021, primarily comprising salaries, wages and bonus of ₹ 7,219.86 million, contribution to provident and other funds of ₹ 233.47 million, (iii) Gratuity and compensated absences from ₹ 406.08 million and (iv) staff welfare expenses of ₹ 271.67 million.

Finance Costs. Finance costs was ₹ 31.64 million for the six months ended September 30, 2021 primarily comprising interest expenses on our overdraft facility and others, and interest expenses on lease liabilities.

Depreciation and Amortization Expense. Depreciation and amortization expense was ₹ 798.23 million for the six months ended September 30, 2021 entirely comprising depreciation expense on property, plant and equipment at our facilities.

Other Expense. Other expenses was ₹ 9,082.75 million for the six months ended September 30, 2021, and primarily comprised: (i) legal and professional fees of ₹ 2,112.03 million; (ii) sales promotion expenses of ₹ 1,031.70 million; (iii) freight and forwarding expenses of ₹ 752.51 million; (iv) power, fuel and water expenses of ₹ 935.33 million; (v) consumption of stores of ₹ 379.47 million; (vi) CSR activity of ₹ 170.86 million ; (vii) job work/processing charges ₹ 573.07 million; (viii) repairs and maintenance of ₹ 458.45 million, and (ix) other expenses (brokerage, commission and intending charges on sales, travelling, registration and miscellaneous fees) comprising of ₹ 2,669.33 million.

Tax expenses. Our total tax expense was ₹ 631.54 million for the six months ended September 30, 2021, of which current tax expense was ₹ 1,324.14 million and deferred tax credit was ₹ 692.60 million. Our effective tax rate (which represents income tax expense expressed as a percentage of profit before tax for the relevant period) was 9.02 % for the six months ended September 30, 2021.

Profit for the year/ period. As a result of the foregoing, our profit for the six months ended September 30, 2021 was ₹ 6,380.51 million.

Fiscal 2021 Compared to Fiscal 2020

Total income. Total income increased by 6.71% from ₹ 72,621.33 million for Fiscal 2020 to ₹ 77,494.84 million for Fiscal 2021 due to an increase in revenue from operations and in other income.

Revenue from operations. Revenue from operations increased by 4.30% from ₹ 69,028.16 million for Fiscal 2020 to ₹ 71,994.16 million for Fiscal 2021 due to a 4.34% increase in revenue from sale of products from ₹ 67,093.76 million to ₹ 70,002.59 million and a 49.87% increase in revenue from sale of services from ₹ 353.18 million to ₹ 529.31 million. Increase in revenue from sale of products is attributable to the increase in sales outside of India by 16.82% from ₹ 29,746.41 million to ₹ 34,749.00 million, primarily driven by receipt of tenders in Africa and increase in sales in CIS, Australia and New Zealand (ANZ). This was partially offset by a decrease in sales in India by 5.18% from ₹ 39,281.74 million to ₹ 37,245.16 million due to the COVID-19 pandemic.

Other income. Other income increased by 53.09% from ₹ 3,593.17 million for Fiscal 2020 to ₹ 5,500.68 million for Fiscal 2021 primarily due to increases in (i) realized gain on investment carried at FVTPL (net) from ₹ 40.96 million to ₹ 438.16 million; and (ii) unrealized gain on investment carried at FVTPL (net) from no such income in Fiscal 2020 to ₹ 2,127.68 million, as a result of mark-to-market of investments.

The increase in other income was partially offset by a decrease in (i) gains on foreign currency transaction and translation (net) from ₹ 872.25 million to ₹ 630.16 million, which was mainly attributable to unfavorable movements in cross-currency exchange rates; and (ii) interest income on bank deposits from ₹ 2,580.27 million to ₹ 2,180.29 million.

Total expenses. Total expenses decreased by 2.94% from ₹ 54,023.35 million for Fiscal 2020 to ₹ 52,434.58 million for Fiscal 2021 primarily due to decreases in cost of materials consumed, changes in inventories of finished goods, work-in-progress and stock-in-trade, and other expenses, partially offset by increases in purchases of stock-in-trade, and employee benefits expense.

Cost of materials consumed. Cost of materials consumed decreased by 3.24% from ₹ 16,315.90 million for Fiscal 2020 to ₹ 15,786.57 million for Fiscal 2021 primarily due to an accumulation of inventory during the COVID-19 pandemic period.

Purchases of stock-in-trade. Purchases of stock-in-trade increased by 25.31% from ₹ 9,557.75 million for Fiscal 2020 to ₹ 11,976.36 million for Fiscal 2021.

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 was ₹ (4,071.89) million for Fiscal 2021 as compared to ₹ (887.34) million for Fiscal 2020. For Fiscal 2021, we had an opening inventory of ₹ 5,225.35 million and a closing inventory of ₹ 9,297.24 million. For Fiscal 2020, we had an opening inventory of ₹ 4,338.01 million and a closing inventory of ₹ 5,225.35 million. This is due to accumulation of inventory in anticipation of higher offtake during the COVID-19 pandemic period.

Employee benefit expense. Employee benefit expense increased by 10.67% from ₹ 11,589.69 million for Fiscal 2020 to ₹ 12,826.34 million for Fiscal 2021 primarily due to increases in (i) salaries, wages and bonus from ₹

10,266.97 million to ₹ 10,988.17 million, (ii) contribution to provident and other funds from ₹ 387.67 million to ₹ 431.35 million, (iii) Gratuity and compensated absences from ₹ 390.74 million to ₹ 860.33 million and (iv) staff welfare expenses from ₹ 544.31 million to ₹ 546.49 million, all of which were mainly attributable to annual increments and recruitments for newly established manufacturing units at Indore and the upcoming unit at Dahej.

Finance Costs. Finance costs decreased by 18.79% from ₹ 77.60 million for Fiscal 2020 to ₹ 63.02 million for Fiscal 2021 primarily due to decreases in interest expenses on our overdraft facilities.

Depreciation and Amortization Expense. Depreciation and amortization expense increased by 3.05% from ₹ 1,304.21 million for Fiscal 2020 to ₹ 1,344.00 million for Fiscal 2021 primarily due to additions to property, plant and equipment made in the previous periods, towards capacity expansions and construction of new units.

Other Expenses. Other expenses decreased by 9.68% from ₹ 16,065.54 million for Fiscal 2020 to ₹ 14,510.18 million for Fiscal 2021 primarily due to decreases in:

- brokerage and commission on sales by 68.92% from ₹ 713.11 million for Fiscal 2020 to ₹ 221.64 million for Fiscal 2021; and
- sales promotion expenses by 54.31% from ₹ 3,830.56 million for Fiscal 2020 to ₹ 1,750.03 million for Fiscal 2021, due to reduction in marketing and promotional activities due to the COVID-19 pandemic.

These decreases were partially offset by increases in:

- freight and forwarding expenses by 36.94% from ₹ 1,219.74 million for Fiscal 2020 to ₹ 1,670.27 million for Fiscal 2021, due to an increase in freight on export and custom clearing charges on account of an increase in export sales;
- legal and professional fees by 150.34% from ₹ 960.16 million for Fiscal 2020 to ₹ 2,403.69 million for Fiscal 2021, due to increase in professional and advisory services;
- miscellaneous expenses that comprised repairs and maintenance, job work, insurance cost and travelling expenses by 12.98% from ₹ 7,991.76 million for Fiscal 2020 to ₹ 6,954.74 million for Fiscal 2021; and
- power, fuel and water expenses by 11.82% from ₹ 1,350.21 million for Fiscal 2020 to ₹ 1,509.81 million for Fiscal 2021, due to increase in electricity and fuel costs.

Tax expenses. Our total tax expense significantly increased from ₹ 2,876.83 million for Fiscal 2020 to ₹ 4,832.78 million for Fiscal 2021. For Fiscal 2021, we had a current tax expense of ₹ 5,074.86 million and a deferred tax credit of ₹ 242.08 million. For Fiscal 2020, we had a current tax expense of ₹ 3,514.06 million and a deferred tax credit of ₹ 637.23 million. Our effective tax rate (which represents income tax expense expressed as a percentage of profit before tax for the relevant period) was 19.28% and 15.47% for Fiscals 2021 and 2020, respectively. The tax expenses increased due to higher profitability in Fiscal 2021 by 34.75% and minimum alternative tax benefit was not available.

Profit for the year. As a result of the foregoing, our profit for the year increased significantly by 28.67% from ₹ 15,721.15 million for Fiscal 2020 to ₹ 20,228.44 million for Fiscal 2021.

Fiscal 2020 Compared to Fiscal 2019

Total income. Total income increased by 15.04% from ₹ 63,128.98 million for Fiscal 2019 to ₹ 72,621.33 million for Fiscal 2020 due to an increase in revenue from operations, which was partially offset by a decrease in other income.

Revenue from operations. Revenue from operations increased by 17.59% from ₹ 58,704.35 million for Fiscal 2019 to ₹ 69,028.16 million for Fiscal 2020 primarily due to an increase in revenue from sale of products by 18.03% from ₹ 56,843.61 million to ₹ 67,093.76 million. This was attributable to (i) an increase in sales outside of India by 26.39% from ₹ 23,536.07 million to ₹ 29,746.41 million, primarily driven by higher sales of sartans in the United States due to absence of nitrosamine impurities in our product and higher sales in South Africa, and (ii) an increase in sales in India by 11.70% from ₹ 35,168.28 million to ₹ 39,281.74 million, primarily driven by higher sales across major brands like Bio-D3 Thyrox and Olmesar.

Other income. Other income decreased by 18.79% from ₹ 4,424.63 million for Fiscal 2019 to ₹ 3,593.17 million for Fiscal 2020 primarily due to decreases in (i) realized gain on investment carried at FVTPL (net) from ₹ 2,325.60 million to ₹ 40.96 million, due to loss on sale of investments, and (ii) unrealized gain on investment carried at FVTPL (net) from ₹ 93.02 million in Fiscal 2019 to no gain/loss, due to mark-to-market valuation of investments.

The decrease in other income was partially offset by increases in (i) interest income on bank deposits from ₹ 1,624.20 million to ₹ 2,580.27 million, and (ii) gains on foreign currency transaction and translation (net) from ₹ 277.07 million to ₹ 872.25 million, which was mainly attributable to favorable movements in cross-currency exchange rates.

Total expenses. Total expenses increased by 12.66% from ₹ 47,950.17 million for Fiscal 2019 to ₹ 54,023.35 million for Fiscal 2020 primarily due to increases in cost of materials consumed, purchases in stock-in-trade, employee benefit expense, and other expenses, partially offset by a decrease in changes in inventories of finished goods, work-in-progress and stock-in-trade.

Cost of materials consumed. Cost of materials consumed increased by 6.22% from ₹ 15,361.05 million for Fiscal 2019 to ₹ 16,315.90 million for Fiscal 2020 primarily due to increases in raw materials and packing materials consumed during the year, which were mainly attributable to increase in products manufactured.

Purchases of stock-in-trade. Purchases of stock-in-trade increased by 45.06% from ₹ 6,588.77 million for Fiscal 2019 to ₹ 9,557.75 million for Fiscal 2020.

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 was ₹ (887.34) million for Fiscal 2020 as compared to ₹ 507.98 million for Fiscal 2019. For Fiscal 2020, we had an opening inventory of ₹ 4,338.01 million and a closing inventory of ₹ 5,225.35 million. For Fiscal 2019, we had an opening inventory of ₹ 4,845.99 million and a closing inventory of ₹ 4,338.01 million. This is due to regular movement in stocks to meet the increasing demand for products.

Employee benefit expense. Employee benefit expense increased by 17.16% from ₹ 9,892.57 million for Fiscal 2019 to ₹ 11,589.69 million for Fiscal 2020 primarily due to increases in (i) salaries, wages and bonus from ₹ 8,789.99 million to ₹ 10,266.97 million; (ii) contribution to provident and other funds from ₹ 326.25 million to ₹ 387.67 million; (iii) Gratuity and compensated absences from ₹ 342.88 million to ₹ 390.74 million and (iv) staff welfare expenses from ₹ 433.45 million to ₹ 544.31 million, all of which were mainly attributable to annual increments, additional senior level recruitments to support expansion of our operations.

Finance Costs. Finance costs increased by 37.56% from ₹ 56.41 million for Fiscal 2019 to ₹ 77.60 million for Fiscal 2020 primarily due to increase in interest levied by banks due to higher utilization of our overdraft facilities, and interest on lease liabilities.

Depreciation and Amortization Expense. Depreciation and amortization expense increased by 6.09% from ₹ 1,229.36 million for Fiscal 2019 to ₹ 1,304.21 million for Fiscal 2020 due to additions to property, plant and equipment. We are investing in the expansion of our existing units and in setting up new manufacturing units.

Other Expense. Other expenses increased by 12.24% from ₹ 14,314.03 million for Fiscal 2019 to ₹ 16,065.54 million for Fiscal 2020 primarily due to increases in:

- brokerage and commission on sales by 30.04% from ₹ 548.34 million for Fiscal 2019 to ₹ 713.11 million for Fiscal 2020, due to an increase in sales volume.
- sales promotion expenses by 50.40% from ₹ 2,546.83 million for Fiscal 2019 to ₹ 3,830.56 million for Fiscal 2020, due to increased market research and development activities;
- freight and forwarding expenses by 28.27% from ₹ 950.95 million for Fiscal 2019 to ₹ 1,219.74 million for Fiscal 2020, due to increased transportation requirements on account of increased sales along with a rise in the cost of transportation;
- legal and professional fees by 200.51% from ₹ 319.51 million for Fiscal 2019 to ₹ 960.16 million for Fiscal 2020, due to fees for advisory services, ongoing legal proceedings, other consultation charges

incurred in the ordinary course of business for obtaining regulatory approvals and licenses for our operations.

- power, fuel and water expenses by 10.89% from ₹ 1,217.63 million for Fiscal 2019 to ₹ 1,350.21 million for Fiscal 2020, due to increased usage of power and fuel at manufacturing units.

These increases were partially offset by decreases in:

- unrealized gain/ loss investment carried at FVTPL (net) by 37.43% from ₹ 1,367.18 million for Fiscal 2019 to ₹ 855.41 million for Fiscal 2020; and
- miscellaneous expenses comprising repairs and maintenance, job work, travelling expenses, registration fees and insurance by 3.09% from ₹ 7,363.59 million for Fiscal 2019 to ₹ 7,136.35 million for Fiscal 2020.

Tax expenses. Our total tax expense significantly increased from ₹ 944.22 million for Fiscal 2019 to ₹ 2,876.83 million for Fiscal 2020. For Fiscal 2020, we had a current tax expense of ₹ 3,514.06 million and a deferred tax credit of ₹ 637.23 million. For Fiscal 2019, we had a current tax expense of ₹ 3,312.85 million and a deferred tax credit of ₹ 2,368.63 million. Our effective tax rate (which represents income tax expense expressed as a percentage of profit before tax for the relevant period) was 15.47 % and 6.22% for Fiscals 2020 and 2019, respectively. Our tax expenses increased due higher profitability by 22.53% from Fiscal 2019 to Fiscal 2020.

Profit for the year. As a result of the foregoing, our profit for the year increased significantly by 10.44% from ₹ 14,234.57 million for Fiscal 2019 to ₹ 15,721.15 million for Fiscal 2020.

Results of Operations Based on our Pro Forma Consolidated Financial Information

The following table sets forth our selected pro forma financial data from our pro forma condensed consolidated financial information for Fiscals 2019, 2020, 2021, and the six months ended September 30, 2021, the components of which are also expressed as a percentage of total pro forma income for such periods:

Particulars	Fiscal						Six Months ended September 30, 2021	
	2019		2020		2021		Amount (₹ million)	% of Total Income
	Amount (₹ million)	% of Total Income	Amount (₹ million)	% of Total Income	Amount (₹ million)	% of Total Income		
Income								
Revenue from Operations	58,704.35	99.32	69,028.16	98.54	71,994.16	98.84	40,801.55	99.67
Other Income	399.46	0.68	1,021.77	1.46	842.67	1.16	135.46	0.33
Total Income	59,103.81	100	70,049.93	100	72,836.83	100	40,937.01	100
Expenditure								
Cost of Materials Consumed	15,361.05	25.99	16,315.90	23.29	15,786.57	21.67	11,493.96	28.08
Purchases of Stock-In-Trade	6,588.77	11.15	9,557.75	13.64	11,976.36	16.44	5,813.74	14.20
Changes In Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress	507.98	0.86	(887.34)	(1.26)	(4,071.89)	(5.59)	(1,418.85)	(3.47)
Employee Benefits Expense	9,892.57	16.74	11,589.69	16.55	12,826.34	17.61	8,131.08	19.86
Finance Costs	56.41	0.09	77.60	0.11	63.02	0.09	31.64	0.08
Depreciation And Amortization Expense	1,229.36	2.08	1,304.21	1.86	1,344.00	1.85	798.23	1.95
Other Expenses	12,945.05	21.90	15,208.98	21.71	14,510.18	19.92	9,082.75	22.19
Total Expenditure	46,581.19	78.81	53,166.79	75.90	52,434.58	71.99	33,932.55	82.89
Profit Before Tax	12,522.62	21.19	16,883.14	24.10	20,402.25	28.01	7,004.46	17.11
Tax Expenses								
Current Tax	2,748.10	4.65	3,222.42	4.60	4,413.00	6.06	1,324.14	3.23

Deferred Tax	(2,146.80)	(3.63)	(951.23)	(1.36)	(316.97)	(0.44)	(692.60)	(1.69)
Total Tax Expense	601.30	1.02	2,271.19	3.24	4,096.03	5.62	631.54	1.54
Profit After Tax Before Share of Profit/(Loss) From Associates	11,921.32	20.17	14,611.95	20.86	16,306.22	22.39	6,372.92	15.57
Share of Profit/(Loss) From Associates	(0.02)	0.00	-	0	0.96	0	7.59	0.02
Profit For The Period/Year Ended	11,921.30	20.17	14,611.95	20.86	16,307.18	22.39	6,380.51	15.59
Profit For The Year Attributable To								
Owners	11,891.96	20.12	14,566.23	20.79	16,284.78	22.33	6,325.65	15.45
Profit Attributable To Non-Controlling Interest	29.34	0.05	45.72	0.07	22.40	0.06	54.86	0.14
Total	11,921.30	20.17	14,611.95	20.86	16,307.18	22.39	6,380.51	15.59

Six Months ended September 30, 2021

Total income. Total income was ₹ 40,937.01 million for the six months ended September 30, 2021, comprising revenue from operations and other income.

Revenue from operations. Revenue from operations was ₹ 40,801.55 million for the six months ended September 30, 2021 primarily comprising revenue from sale of products of ₹ 39,879.60 million that represented 97.74% of our revenue from operations, sale of services of ₹ 159.22 million that represented 0.39% of our revenue from operations, and other operating revenue of ₹ 762.73 million that represented 1.87% of our revenue from operations.

Other income. Other income was ₹ 135.46 million for the six months ended September 30, 2021, primarily comprising interest income on bank deposits.

Total expenses. Total expenses was ₹ 33,932.55 million for the six months ended September 30, 2021, primarily comprising cost of materials consumed, employee benefit expense, and other expenses.

Cost of materials consumed. Cost of materials consumed was ₹ 11,493.96 million for the six months ended September 30, 2021, and represented 33.87% of our total expenses, primarily comprising cost of raw materials.

Purchases of stock-in-trade. Purchases of stock-in-trade was ₹ 5,813.74 million for the six months ended September 30, 2021.

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 was ₹ (1,418.85) million the six months ended September 30, 2021, comprising an opening inventory of ₹ 9,297.24 million and a closing inventory of ₹ 10,716.09 million.

Employee benefit expense. Employee benefit expense was ₹ 8,131.08 million for the six months ended September 30, 2021, primarily comprising salaries, wages and bonus of ₹ 7,219.86 million, contribution to provident and other funds of ₹ 233.47 million, (iii) Gratuity and compensated absences from ₹ 406.08 million and (iv) staff welfare expenses of ₹ 271.67 million.

Finance Costs. Finance costs was ₹ 31.64 million for the six months ended September 30, 2021 primarily comprising interest expenses on our bank overdraft facilities, and interest expenses on lease liabilities.

Depreciation and Amortization Expense. Depreciation and amortization expense was ₹ 798.23 million for the six months ended September 30, 2021 entirely comprising depreciation expense on property, plant and equipment at our facilities.

Other Expense. Other expenses was ₹ 9,082.75 million for the six months ended September 30, 2021, and primarily comprised: (i) legal and professional fees of ₹ 2,112.03 million; (ii) sales promotion expenses of ₹ 1,031.70 million; (iii) freight and forwarding expenses of ₹ 752.51 million; (iv) power, fuel and water expenses of ₹ 935.33 million; (v) consumption of stores of ₹ 379.47 million; (vi) CSR activity of ₹ 170.86 million ; (vii)

job work/processing charges ₹ 573.07 million; (viii) repairs and maintenance of ₹ 458.45 million and (ix) other expenses (brokerage, commission and intending charges on sales, travelling, registration and miscellaneous fees) comprising of ₹ 2,669.33 million.

Tax expenses. Our total tax expense was ₹ 631.54 million for the six months ended September 30, 2021, of which current tax expense was ₹ 1,324.14 million and deferred tax credit was ₹ 692.60 million. Our effective tax rate (which represents income tax expense expressed as a percentage of profit before tax for the relevant period) was 9.02 % for the six months ended September 30, 2021

Profit for the year/ period. As a result of the foregoing, our profit for the six months ended September 30, 2021 was ₹ 6,380.51 million.

Fiscal 2021 Compared to Fiscal 2020

Total income. Total income increased by 3.98% from ₹ 70,049.93 million for Fiscal 2020 to ₹ 72,836.83 million for Fiscal 2021 due to an increase in revenue from operations and in other income.

Revenue from operations. Revenue from operations increased by 4.30% from ₹ 69,028.16 million for Fiscal 2020 to ₹ 71,994.16 million for Fiscal 2021 due to a 4.34% increase in revenue from sale of products from ₹ 67,093.76 million to ₹ 70,002.59 million and a 49.87% increase in revenue from sale of services from ₹ 353.18 million to ₹ 529.31 million. Increase in revenue from sale of products is attributable to the increase in sales outside India by 16.82% from ₹ 29,746.41 million to ₹ 34,749.00 million, primarily driven by receipt of tenders in Africa and increase in sales in CIS and ANZ. This was partially offset by a decrease in sales in India by 5.18% from ₹ 39,281.74 million to ₹ 37,245.16 million due to the COVID-19 pandemic.

Other income. Other income decreased by 17.53% from ₹ 1,021.77 million for Fiscal 2020 to ₹ 842.67 million for Fiscal 2021 primarily due to a decrease in beneficial exchange rates of foreign currency transactions which reduced from ₹ 872.25 million for Fiscal 2020 to ₹ 630.16 million for Fiscal 2021.

Total expenses. Total expenses decreased by 1.37% from ₹ 53,166.79 million for Fiscal 2020 to ₹ 52,434.58 million for Fiscal 2021 primarily due to decreases in cost of materials consumed, changes in inventories of finished goods, work-in-progress and stock-in-trade, and other expenses, partially offset by increases in purchases of stock-in-trade, and employee benefits expense.

Cost of materials consumed. Cost of materials consumed decreased by 3.24% from ₹ 16,315.90 million for Fiscal 2020 to ₹ 15,786.57 million for Fiscal 2021 primarily due to higher closing inventory.

Purchases of stock-in-trade. Purchases of stock-in-trade increased by 25.31% from ₹ 9,557.75 million for Fiscal 2020 to ₹ 11,976.36 million for Fiscal 2021.

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 was ₹ (4,071.89) million for Fiscal 2021 as compared to ₹ (887.34) million for Fiscal 2020. For Fiscal 2021, we had an opening inventory of ₹ 5,225.35 million and a closing inventory of ₹ 9297.24 million. For Fiscal 2020, we had an opening inventory of ₹ 4,338.01 million and a closing inventory of ₹ 5,225.35 million. This is due to an accumulation of inventory during the COVID-19 pandemic period.

Employee benefit expense. Employee benefit expense increased by 10.67% from ₹ 11,589.69 million for Fiscal 2020 to ₹ 12,826.34 million for Fiscal 2021 primarily due to increases in (i) salaries, wages and bonus from ₹ 10,266.97 million to ₹ 10,988.17 million, (ii) contribution to provident and other funds from ₹ 387.67 million to ₹ 431.35 million, (iii) Gratuity and compensated absences from ₹ 390.74 million to ₹ 860.33 million and (iv) staff welfare expenses from ₹ 544.31 million to ₹ 546.49 million, all of which were mainly attributable to annual increments and recruitments for newly established manufacturing units at Indore and the upcoming unit at Dahej.

Finance Costs. Finance costs decreased by 18.79 % from ₹ 77.60 million for Fiscal 2020 to ₹ 63.02 million for Fiscal 2021 primarily due to decreases in interest expenses on our overdraft facilities.

Depreciation and Amortization Expense. Depreciation and amortization expense increased by 3.05% from ₹ 1,304.21 million for Fiscal 2020 to ₹ 1,344.00 million for Fiscal 2021 primarily due to additions to property, plant and equipment made in the previous periods, towards capacity expansions and construction of new units.

Other Expense. Other expenses decreased by 4.59% from ₹ 15,208.98 million for Fiscal 2020 to ₹ 14,510.18 million for Fiscal 2021 primarily due to decreases in:

- brokerage and commission on sales by 68.92% from ₹ 713.11 million for Fiscal 2020 to ₹ 221.64 million for Fiscal 2021; and
- sales promotion expenses by 54.31% from ₹ 3,830.56 million for Fiscal 2020 to ₹ 1,750.03 million for Fiscal 2021, due to reduction in marketing and promotional activities due to the COVID-19 pandemic.
- miscellaneous expenses comprising repairs and maintenance, job work, travelling expenses and registration fees by 2.53% from ₹ 7,135.27 million for Fiscal 2020 to ₹ 6,954.74 million for Fiscal 2021.

These decreases were partially offset by increases in:

- freight and forwarding expenses by 36.94% from ₹ 1,219.74 million for Fiscal 2020 to ₹ 1,670.27 million for Fiscal 2021, due to an increase in freight on export and custom clearing charges on account of an increase in export sales;
- legal and professional fees by 150.34% from ₹ 960.16 million for Fiscal 2020 to ₹ 2,403.69 million for Fiscal 2021, due to increase in professional and advisory services; and
- power, fuel and water expenses by 11.82% from ₹ 1,350.21 million for Fiscal 2020 to ₹ 1,509.81 million for Fiscal 2021, due to increase in electricity and fuel costs.

Tax expenses. Our total tax expense significantly increased from ₹ 2,271.19 million for Fiscal 2020 to ₹ 4,096.03 million for Fiscal 2021. For Fiscal 2021, we had a current tax expense of ₹ 4,413.00 million and a deferred tax credit of ₹ 316.97 million. For Fiscal 2020, we had a current tax expense of ₹ 3,222.42 million and a deferred tax credit of ₹ 951.23 million. Our effective tax rate (which represents income tax expense expressed as a percentage of profit before tax for the relevant period) was 20.08% and 13.45% for Fiscals 2021 and 2020, respectively. The tax expenses increased as profit before tax increased by 20.84% in Fiscal 2021 from Fiscal 2020 and minimum alternative tax benefit was not available.

Profit for the year. As a result of the foregoing, our profit for the year increased significantly by 11.60% from ₹ 14,611.95 million for Fiscal 2020 to ₹ 16,307.18 million for Fiscal 2021.

Fiscal 2020 Compared to Fiscal 2019

Total income. Total income increased by 18.52% from ₹ 59,103.81 million for Fiscal 2019 to ₹ 70,049.93 million for Fiscal 2020 due to an increase in revenue from operations which was partially offset by a decrease in other income.

Revenue from operations. Revenue from operations increased by 17.59% from ₹ 58,704.35 million for Fiscal 2019 to ₹ 69,028.16 million for Fiscal 2020 primarily due to an increase in revenue from sale of products by 18.03% from ₹ 56,843.61 million to ₹ 67,093.76 million. This was attributable to (i) an increase in sales outside India by 26.39% from ₹ 23,536.07 million in Fiscal 2019 to ₹ 29,746.41 million in Fiscal 2020, primarily driven by higher sales of sartans in the United States due to an absence of nitrosamine impurities and higher sales in South Africa, and (ii) an increase in sales in India by 11.70% from ₹ 35,168.28 million in Fiscal 2019 to ₹ 39,281.74 million in Fiscal 2020, primarily driven by higher sales across major brands like Bio-D3 Thyrox and Olmesar.

Other income. Other income increased from ₹ 399.46 million for Fiscal 2019 to ₹ 1,021.77 million for Fiscal 2020 primarily due to an increase in beneficial exchange rates of foreign currency transactions which increased from ₹ 277.07 million for Fiscal 2019 to ₹ 872.25 million for Fiscal 2020.

Total expenses. Total expenses increased by 14.14% from ₹ 46,581.19 million for Fiscal 2019 to ₹ 53,166.79 million for Fiscal 2020 primarily due to increases in cost of materials consumed, purchases in stock-in-trade, employee benefit expense, and other expenses, partially offset by a decrease in changes in inventories of finished goods, work-in-progress and stock-in-trade.

Cost of materials consumed. Cost of materials consumed increased by 6.22% from ₹ 15,361.05 million for Fiscal 2019 to ₹ 16,315.90 million for Fiscal 2020 primarily due to an increase in raw materials and packing materials consumed during the year, which were mainly attributable to an increase in products manufactured.

Purchases of stock-in-trade. Purchases of stock-in-trade increased by 45.06% from ₹ 6,588.77 million for Fiscal 2019 to ₹ 9,557.75 million for Fiscal 2020.

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 was ₹ (887.34) million for Fiscal 2020 as compared to ₹ 507.98 million for Fiscal 2019. For Fiscal 2020, we had an opening inventory of ₹ 4,338.01 million and a closing inventory of ₹ 5,225.35 million. For Fiscal 2019, we had an opening inventory of ₹ 4,845.99 million and a closing inventory of ₹ 4,338.01 million. This was due to regular movements in stocks to meet the increasing demand in sales.

Employee benefit expense. Employee benefit expense increased by 17.16% from ₹ 9,892.57 million for Fiscal 2019 to ₹ 11,589.69 million for Fiscal 2020 primarily due to increases in (i) salaries, wages and bonus from ₹ 8,789.99 million to ₹ 10,266.97 million; (ii) contribution to provident and other funds from ₹ 326.25 million to ₹ 387.67 million; (iii) Gratuity and compensated absences from ₹ 342.88 million to ₹ 390.74 million; and (iv) staff welfare expenses from ₹ 433.45 million to ₹ 544.31 million, all of which were mainly attributable to annual increments, additional senior level recruitments to support expansion of our operations

Finance Costs. Finance costs increased by 37.56% from ₹ 56.41 million for Fiscal 2019 to ₹ 77.60 million for Fiscal 2020 primarily due to increases in interest expenses levied by banks on our overdraft facilities, and interest on lease liabilities.

Depreciation and Amortization Expense. Depreciation and amortization expense increased by 6.09% from ₹ 1,229.36 million for Fiscal 2019 to ₹ 1,304.21 million for Fiscal 2020 primarily due to new additions of property, plant and equipment at our facilities.

Other Expense. Other expenses increased by 17.49% from ₹ 12,945.05 million for Fiscal 2019 to ₹ 15,208.98 million for Fiscal 2020 primarily due to increases in:

- brokerage and commission on sales by 30.07% from ₹ 548.24 million for Fiscal 2019 to ₹ 713.11 million for Fiscal 2020, due to an increase in sales volume;
- sales promotion expenses by 50.40% from ₹ 2,546.83 million for Fiscal 2019 to ₹ 3,830.56 million for Fiscal 2020, due to increased market research and development activities;
- freight and forwarding expenses by 28.27% from ₹ 950.95 million for Fiscal 2019 to ₹ 1,219.74 million for Fiscal 2020, due to increased transportation requirements on account of increased sales along with a rise in the cost of transportation;
- legal and professional fees from ₹ 319.46 million for Fiscal 2019 to ₹ 960.10 million for Fiscal 2020, due to fees for advisory services, ongoing legal proceedings, other consultation charges incurred in the ordinary course of business for obtaining regulatory approvals and licenses for our operations.
- power, fuel and water expenses by 10.89% from ₹ 1,217.63 million for Fiscal 2019 to ₹ 1,350.21 million for Fiscal 2020, due to increased usage of power and fuel at manufacturing units.

These increases were partially offset by decreases in miscellaneous expenses comprising, repairs and maintenance, job work, travelling expenses, registration fees and insurance by 3.08% from ₹ 7,361.94 million for Fiscal 2019 to ₹ 7,135.26 million for Fiscal 2020.

Tax expenses. Our total tax expense increased significantly from ₹ 601.30 million for Fiscal 2019 to ₹ 2,271.19 million for Fiscal 2020. For Fiscal 2020, we had a current tax expense of ₹ 3,222.42 million and a deferred tax credit of ₹ 951.23 million. For Fiscal 2019, we had a current tax expense of ₹ 2,748.10 million and a deferred tax credit of ₹ 2,146.80 million. Our effective tax rate (which represents income tax expense expressed as a percentage of profit before tax for the relevant period) was 13.45% and 4.80% for Fiscals 2020 and 2019, respectively. Our tax expenses increased due to higher profitability in Fiscal 2020 of 34.82% from Fiscal 2019.

Profit for the year. As a result of the foregoing, our profit for the year increased significantly by 22.57% from ₹ 11,921.30 million for Fiscal 2019 to ₹ 14,611.95 million for Fiscal 2020.

Liquidity and Capital Resources

Historically, our primary liquidity requirements have been to fund our working capital needs for our operations. We have met these requirements through cash flows from operations. As of September 30, 2021, we had ₹ 1,504.31 million in cash and cash equivalents which includes ₹ 1,379.90 million as bank balances. We believe that, after taking into account the expected cash to be generated from operations, we will have sufficient liquidity for our present requirements and anticipated requirements for capital expenditure and working capital for 12 months following the date of this Draft Red Herring Prospectus.

Cash Flows Based on our Restated Consolidated Financial Information

The following table summarizes our restated cash flows data for the periods indicated:

Particulars	As of and for the years ended March 31,			As of and for the six months ended September 30,
	2019	2020	2021	2021
	<i>(Amount in ₹ million)</i>			
Net cash generated from operating activities	6,942.14	13,734.23	12,684.56	7,509.86
Net cash used in investing activities	(7,855.34)	(11,645.75)	(13,375.88)	(6,060.26)
Net cash used in financing activities	631.36	(1,085.80)	294.95	(407.99)
Net Increase/(Decrease) in cash and cash equivalents	(281.84)	1,002.68	(396.37)	1,041.61
Cash and cash equivalent at the beginning of the year ⁽¹⁾	1,099.74	533.47	1,267.46	721.47
Effect of foreign exchange	(284.43)	(268.69)	(149.62)	(258.77)
Cash and cash equivalent at the end of the year⁽¹⁾	533.47	1,267.46	721.47	1,504.31

Note:

(1) Cash and cash equivalent includes bank overdrafts that are repayable on demand and form an integral part of our cash management

Restated net cash generated from operating activities

Net cash from operating activities was ₹6,942.14 million in Fiscal 2019. Our profit before tax was ₹15,178.81 million for Fiscal 2019, which was primarily adjusted for depreciation and amortization of ₹1,229.36 million, finance costs of ₹56.41 million, unrealized loss on financial instruments of ₹1,274.16 million, interest income of ₹1,624.20 million, gain on sale of financial instruments of ₹2,325.60 million, and other income of ₹ 20.98 million. This was further adjusted for increase in working capital of ₹ 2,971.46 million, which was mainly attributable to increase in inventories of ₹ 448.03 million, an increase in trade receivables of ₹ 2,178.20 million, a decrease in trade payables of ₹ 1,418.07 million, net of an increase in other liabilities and decrease in other assets by ₹ 1,072.84 million. As a result, cash generated from operating activities in Fiscal 2019 was ₹ 10,796.50 million before adjusting for income tax paid of ₹ 3,854.36 million.

Net cash from operating activities was ₹ 13,734.23 million in Fiscal 2020. Our profit before tax was ₹ 18,597.98 million for Fiscal 2020, which was primarily adjusted for depreciation and amortization of ₹ 1,304.21 million, finance costs of ₹ 77.60 million, unrealized loss on financial instruments of ₹ 855.41 million, interest income of ₹ 2,580.27 million, gain on sale of financial instruments of ₹ 40.96 million, and other income of ₹ 28.31 million. This was further adjusted for a increase in working capital of ₹ 871.78 million, which was mainly attributable to an increase in inventories of ₹ 1,523.54 million, an increase in trade receivables of ₹ 2,646.32 million, an increase in trade payables of ₹ 2,425.33 million, an increase in other liabilities and an increase in other assets of ₹ 872.75 million. As a result, cash generated from operating activities in Fiscal 2020 was ₹ 17,313.88 million before adjusting for income tax paid of ₹ 3,579.65 million.

Net cash from operating activities was ₹ 12,684.56 million in Fiscal 2021. We had profit before tax of ₹ 25,060.26 million for Fiscal 2021, which was primarily adjusted for depreciation and amortization of ₹ 1,344.00 million, finance costs of ₹ 63.02 million, unrealized gain on financial instruments of ₹ 2,127.68 million, interest income of ₹ 2,180.29 million, gain on sale of financial instruments of ₹ 438.16 million, and other income of ₹69.05 million. This was further adjusted for increase in working capital of ₹4,112.44 million, which was mainly attributable to increase in inventories of ₹5,746.39 million, decrease in trade receivables of ₹2,417.93 million and decrease in trade payables of ₹1,025.41 million and increase in other liabilities and decrease in other assets of ₹241.43 million.

As a result, cash generated from operating activities in Fiscal 2021 was ₹17,539.66 million before adjusting for income tax paid of ₹4,855.10 million.

Net cash generated from operating activities was ₹7,509.86 million for the six months ended September 30, 2021. We had profit before tax of ₹7,004.46 million for the six months ended September 30, 2021, which was primarily adjusted for depreciation and amortization of ₹798.23 million, finance costs of ₹31.64 million, interest income of ₹102.55 million, and other expenses of ₹17.94 million. This was further adjusted for decrease in working capital of ₹1,483.65 million, which was mainly attributable to increase in inventories of ₹1,178.20 million, increase in trade receivables of ₹316.69 million and increase in trade payables of ₹1,818.49 million and increase in other liabilities and decrease in other assets of ₹1,160.05 million. As a result, cash generated from operating activities for six months ended September 30, 2021 was ₹9,233.37 million before adjusting for income tax paid of ₹1,723.51 million.

Restated net cash from/ (used in) investing activities

Net cash used in investing activities was ₹7,855.34 million in Fiscal 2019. This was primarily due to net acquisition of property, plant and equipment of ₹1,388.68 million, sale of investment (net) of ₹10,357.93 million, purchase of fixed deposit(net) of ₹17,462.03 million, net of cash generated from other activities of ₹637.44 million.

Net cash used in investing activities was ₹11,645.75 million in Fiscal 2020. This was primarily due to net acquisition of property, plant and equipment of ₹4,051.72 million, purchase of investment (net) of ₹4,703.73 million, purchase of fixed deposit (net) ₹5,285.08 million, net of cash generated from other activities of ₹2,394.78 million.

Net cash used in investing activities was ₹13,375.88 million in Fiscal 2021. This was primarily due to net acquisition of property, plant and equipment of ₹5,140.40 million, cash inflow on account of the Demerger of ₹1,953.83 million, purchase of investment (net) of ₹9,147.49 million, purchase of fixed deposits (net) ₹2,719.10 million, net of cash generated from other activities of ₹1,677.28 million.

Net cash used in investing activities was ₹6,060.26 million for the six months ended September 30, 2021. This was primarily due to net acquisition of property, plant and equipment of ₹1,332.67 million, cash outflow on account of the Demerger of ₹3,704.69 million, purchase of fixed deposit of ₹4.65 million, net of cash used from other activities of ₹1,018.25 million.

Restated net cash from/ (used in) financing activities

Net cash generated in financing activities was ₹631.36 million in Fiscal 2019. This was primarily due to proceeds of short-term borrowings of ₹960.37 million, interest on lease liability and dividend paid (including dividend distribution tax) of ₹281.72 million, repayment of lease liabilities of ₹47.29 million.

Net cash used in financing activities was ₹1,085.80 million in Fiscal 2020. This was primarily due to repayment of short-term borrowings of ₹957.87 million, interest on lease liability paid of ₹51.60 million, repayment of lease liabilities of ₹76.33 million.

Net cash generated in financing activities was ₹294.95 million in Fiscal 2021. This was primarily due to proceeds of short-term borrowings of ₹436.49 million, interest on lease liability paid of ₹31.24 million and repayment of lease liabilities of ₹110.30 million.

Net cash used in financing activities was ₹407.99 million for the six months ended September 30, 2021. This was primarily due to repayment of short-term borrowings of ₹332.87 million, repayment of lease liabilities of ₹58.52 million and interest paid of ₹16.60 million.

Indebtedness

As at September 30, 2021, we have overdraft of ₹ 464.29 million.

Contractual Obligations

The table below sets forth our contractual obligations as at September 30, 2021 as per the Restated Consolidated Financial Information. These obligations primarily relate to our contractual maturities of financial liabilities such as trade payables, other financial liabilities and lease liabilities.

Particulars	Total	Less than 1 year	1 year to 5 years	More than 5 years
(Amount in ₹ million)				
Borrowings*	464.30	464.30	-	-
Trade Payables	8,491.63	8,427.00	64.63	-
Other financial liabilities	4,085.73	3,729.87	355.86	-
Lease liabilities	354.13	41.44	169.17	143.52
Total	13,395.79	12,662.61	589.66	143.52

*represents overdraft facility

Contingent Liabilities

The following table sets forth the principal components of our contingent liabilities as at September 30, 2021 as per the Restated Consolidated Financial Information:

Particulars	(Amount in ₹ millions)
TDS demand	2.83
Income tax demand on account of disallowance/addition	1,895.49
Claims against our Group not acknowledged as debt	1,125.47
Sales tax on account of demand raise for replacement of goods	15.45
Excise and service tax demand on account of reversal of input credit	
Duty	166.90
Penalty	192.42
Customs tax demand	43.51
Commitments	
Estimated amount of contracts unexecuted on capital accounts	924.41
Total	4,366.48

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with other entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

Auditors' Observations

Other than as disclosed below, there have been no reservations/ qualifications/ adverse remarks/ matters of emphasis highlighted by our statutory auditors in their auditor's reports on the audited financial statements as of and for the years ended March 31, 2019, 2020 and 2021, and as of and for the six months ended September 30, 2021:

- an emphasis of matter in respect of the basis of preparation of the special purpose interim consolidated financial statements of the Company for the six months ended September 30, 2021, which have been prepared by our management for the purposes of this Offer and for inclusion in this Draft Red Herring Prospectus and certain restrictions on its distribution and use; and
- an emphasis of matter in respect of corrections made to the opening balance sheet as at April 1, 2021 in respect of prior period rectifications in accordance with Ind AS 8.

Disclosures about Market Risks

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short-term and long-term debt. Our Group is exposed to market risk primarily related to currency risk, commodity rate risk, credit risk and liquidity risk. The above risks may affect our Group's income and expenses, or the value of its financial instruments. Our Group's exposure to and management of these risks are explained below.

Currency Risk

Our Group operates internationally and a major portion of the business is transacted in several currencies and consequently our Group is exposed to foreign exchange risk to the extent that there is mismatch between the currencies in which its sales and services and purchases from overseas supplier in various foreign currencies.

The exchange rate between the Indian Rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of our Group's operations are affected as the Rupee appreciates/ depreciates against US Dollar (USD), Euro (EUR), Great Britain Pound (GBP), South African Rand (ZAR) and other currencies.

Commodity Rate Risk

Exposure to market risk with respect to commodity prices primarily arises from our Group's purchases and sales of active pharmaceutical ingredients, including the raw material components for such active pharmaceutical ingredients. These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of our Group's raw materials generally fluctuate in line with commodity cycles, although the prices of raw materials used in our Group's active pharmaceutical ingredients business are generally more volatile. Cost of raw materials forms the largest portion of our Group's operating expenses. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies.

Credit Risk

Credit risk is the risk of financial loss to our Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from our Group's receivables from customers and investment securities. Our Group establishes an allowance for doubtful debts and impairment that represents its estimate of expected losses in respect of trade and other receivables and investments.

Trade and Other Receivables

Our Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the group operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which our Group grants credit terms in the normal course of business.

Investments

Our Group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. Our Group does not expect any losses from non-performance by these counterparties.

Liquidity Risk

Liquidity risk is the risk that our Group will not be able to meet its financial obligations as they become due. Our Group manages our liquidity risk by ensuring, as far as possible, that we will always have sufficient liquidity to meet our liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to our reputation.

Capital Expenditures

Our historical capital expenditures were, and we expect our future capital expenditures to be, primarily for purchase of plant and equipment. In Fiscals 2019, 2020, 2021 and the six months ended September 30, 2021, our capital expenditures (comprising of payments for acquisition of property, plant and equipment, intangibles and capital work in progress including capital advances (net of sale)) were ₹ 1,388.68 million, ₹ 4,051.72 million, ₹ 5,140.40 million and ₹ 1,347.56 million, respectively, as per our Restated Consolidated Financial Information.

Unusual or Infrequent Events of Transactions

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

Known Trends or Uncertainties

Our business has been affected and we expect will continue to be affected by the trends identified above in the heading titled "*Significant Factors Affecting Our Results of Operations*" and the uncertainties described in the section titled "*Risk Factors*" on page 36. To our knowledge, except as described or anticipated in this Draft Red

Herring Prospectus, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

Future Relationship between Cost and Income

Other than as described in the sections “*Our Business*”, “*Risk Factors*” and “ – *Significant Factors Affecting our Results of Operations*”, to the knowledge of our management, there are no known factors that might affect the future relationship between costs and revenues.

New Products or Business Segments

Other than as described in “*Our Business*” on page 158 of this Draft Red Herring Prospectus, there are no new products or business segments in which we operate.

Significant Dependence on a Single or Few Customers

Given the nature of our business operations, we do not believe our business is dependent on any single or a few customers.

Seasonality of Business

Our business is subject to seasonal variations which differs from region to region. For instance, we typically experience a decline in sales in the US in the fourth quarter of the calendar year primarily due to the winter holiday season and a tendency of our customers in the US to postpone medical treatments until after this period. Also see, “*Risk Factors – The sale of our products may be affected by seasonal factors*” on page 49.

Significant Developments after September 30, 2021

Except as stated below, to our knowledge, no circumstances have arisen since the date of the Restated Consolidated Financial Information as 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 twelve months:

- Pursuant to a resolution passed by our Board on September 27, 2021 and a resolution passed by the Shareholders dated November 15, 2021, each equity share of face value of ₹ 10 each has been sub-divided into 10 equity shares of face value of ₹ 1 each. Accordingly, the issued, subscribed and paid-up capital of our Company was subdivided from 19,960,680 equity shares of face value of ₹10 each to 199,606,800 equity shares of face value of ₹1 each.
- The Board of Directors pursuant to a resolution dated November 15, 2021 and the Shareholders pursuant to a special resolution dated November 29, 2021 have approved the issuance of 399,213,600 bonus Equity Shares in the ratio of two Equity Shares for every one existing fully paid up Equity Share which were issued and allotted on January 18, 2022.
- Pursuant to the Scheme between the Company and Agarwal Holdings Private Limited the Demerged Undertaking has been demerged from the Company to the Resulting Company with effect from January 1, 2021. National Company Law Tribunal, Mumbai Bench (“**NCLT Mumbai**”) had sanctioned the above Scheme on December 23, 2021.

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; and (iv) pending material litigation, in each case involving our Company, Directors, Promoters or Subsidiaries. Further, except as stated in this section, (a) there are no disciplinary actions including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five Financial Years including any outstanding action.

For the purpose of (iv) above, our Board in its meeting held on February 3, 2022, has considered and adopted a policy of materiality for identification of material litigation involving our Company, Directors, Promoters or Subsidiaries ("**Materiality Policy**"). The consolidated profit after tax as per the Restated Consolidated Financial Information for Fiscal 2021 was ₹ 20,228.44 million. In terms of the Materiality Policy, any outstanding litigation involving our Company which exceeds the amount equivalent to 1% of the consolidated profit after tax as per the Restated Consolidated Financial Information for Fiscal 2021, would be considered 'material' for disclosure in this Draft Red Herring Prospectus. Based on above, ₹ 202.28 million, which is 1% of the consolidated profit after tax of our Company as per the Restated Consolidated Financial Information of our Company for Fiscal 2021, has been considered as the materiality threshold. Accordingly, disclosures of the following types of litigation involving Company, Directors, Promoters or Subsidiaries have been included:

- (a) where the aggregate amount involved in such individual litigation exceeds ₹ 202.28 million individually, which is 1% of the consolidated profit after tax of our Company as per the Restated Consolidated Financial Information of our Company for Fiscal 2021;
- (b) where the monetary liability is not quantifiable, but where the outcome of such legal proceedings could have a material adverse effect on the business, operations, financial position, or reputation of our Company;
- (c) other than the litigations covered in (a) above where Promoters and Directors are party to such litigation, all outstanding civil litigation, where an adverse outcome would materially and adversely affect our Company.

Except as stated in this section, there are no outstanding material dues to creditors of our Company. For this purpose, our Board in its meeting held on February 3, 2022, has considered and adopted a policy of materiality for identification of material outstanding dues to creditors. Total trade payables of our Company as on the date of the latest Restated Consolidated Financial Information of our Company i.e. September 30, 2021 is ₹ 8,491.63 million. In terms of our Materiality Policy, outstanding dues to any creditor of our Company having monetary value which is the lower of the 5% of total trade payables of our Company as on the date of the latest Restated Consolidated Financial Information of our Company shall be considered as 'material'. Accordingly, any outstanding dues exceeding ₹ 424.58 million which is 5% of total trade payables of our Company as on September 30, 2021 based on the Restated Consolidated Financial Information of our Company, have been considered as material outstanding dues for the purposes of disclosure in this section. Further, for outstanding dues to any party which is a micro, small or a medium enterprise ("**MSME**"), the disclosure will be based on information available with our Company regarding status of the creditor under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended.

For the purposes of the above, pre-litigation notices received by our Company, its Subsidiaries, promoters or directors from third parties (excluding those notices issued by statutory or regulatory or taxation authorities or notices threatening criminal action) shall not, unless otherwise decided by the board of directors of our Company, be considered material until such time that our Company, its Subsidiaries, promoters or directors, as the case may be, is impleaded as a defendant in litigation before any judicial or arbitral forum.

We have disclosed matters relating to direct and indirect taxes involving our Company, Directors, Promoters and Subsidiaries (as applicable) in a consolidated manner giving details of number of cases and total amount involved in such claims.

All terms defined in a particular litigation disclosure below correspond to that particular litigation only.

Litigation involving our Company

Litigation against the Company

Criminal Litigation

1. A complaint dated March 12, 2005 was filed by Kamal Maheshwari (the “**Complainant**”), the proprietor of Kamal Medical Store before the Additional Chief Judicial Magistrate, Kasganj against our Company and our Founder Joint Managing Director Banwarilal Bawri for not returning the security cheque given by him and encashing the same. The Complainant has alleged that despite paying outstanding amounts owed by him to our Company by way of a draft, our Company has encashed the security cheque with the intention of cheating him. Our Company has filed a quashing application before the Allahabad High Court seeking that the order passed by the Additional Chief Judicial Magistrate and all further proceedings in such matter be quashed and pending such decision be stayed. The matter is currently pending. (“**Kamal Maheshwari Matter**”).

Material civil litigation

1. A class action suit was filed against various pharmaceutical companies including our Company and Macleods Pharma USA, Inc., before the United States District Court, District of New Jersey for allegedly designing, manufacturing, marketing, distributing, packaging and selling adulterated, misbranded, unapproved and unregulated losartan containing drugs (“**LCDs**”) containing dangerous levels of nitrosamines, as a result of which, the plaintiffs were diagnosed with cancer causing permanent and disabling injuries and/or death. Accordingly, it was alleged that among others, our Company and Macleods Pharma USA, Inc. were liable under common law principles, including strict liability, negligence and breach of warranty. The matter is currently pending.

Actions taken by Regulatory and Statutory Authorities

1. A complaint dated January 24, 2017 was filed by the State of Maharashtra through the Drugs Inspector, Office of Joint Commissioner, Konkan Division before the Judicial Magistrate, Palghar against our Company, and our Promoters, Girdharilal Bawri, Banwarilal Bawri and Dr. Rajendra Agarwal for contravening the provisions of section 16 and section 18(a)(i) of the Drugs and Cosmetics Act, 1940 (“**DCA**”), by manufacturing and distributing Entroflora, Prebiotic and Probiotic Delayed Capsules Batch No: FPA6516A which were not of standard quality drugs. The matter is currently pending. (“**Konkan Matter**”).
2. A complaint dated September 26, 2014 was filed by the State of Kerala through the Drugs Inspector, Office of Drugs Inspector, Kottayam before the Judicial First Class Magistrate Court, Kottayam, against our Company and our Founder Joint Managing Director, Banwarilal Bawri for contravening the provisions of section 18(c) of the Drugs and Cosmetics Act, 1940 for manufacturing allopathic drugs disguised as a dietary supplement, that is, ‘Farbion Multivitamin & Multi minerals capsules’ (“**the Product**”) without a valid drugs manufacturing license. Subsequently, our Company has filed a writ petition to quash the complaint on the grounds that the Product is a food supplement manufactured under a licence issued under the Prevention of Food Adulteration Act, 1954 and as the Product is not a drug, the DCA will not be applicable. The complaint as well as the writ petition are currently pending. (“**Kottayam Matter**”).
3. A complaint dated January 15, 2019 was filed by Kuntal Chowdhury (“**the Informant**”) before the Competition Commission of India (“**CCI**”) against our Company and Bengal Chemists and Druggists Association (“**BCDA**”) on the grounds of abuse of dominant positions of our Company and BCDA under the Competition Act, 2002. The Informant alleged that our Company had abused its dominant position by stopping supplying medicines to him at the behest of BCDA, thereby denying market access to, and restricting, the Informant from competing with other businesses. The Informant sought direction from the CCI to our Company to supply medicines to him and the payment of compensation for the losses suffered by him. Our Company filed its reply stating our Company was not in a dominant position, and that the Informant’s cheques were frequently dishonoured and that our Company has stopped supplying medicines to the Informant on credit, while not denying the Informant the option of procuring medicines by making advance payments. The CCI in its order dated May 23, 2019 dismissed the complaint and observed that there has been no contravention of the provisions of the Competition Act, 2002. The Informant has thereafter filed an appeal before the National Company Law Appellate

Tribunal to which our Company has filed a reply highlighting the poor payment track record of the Informant and stating that there is no violation of Section 3 and 4 of the Competition Act, 2002 as there exists neither an agreement nor a tacit understanding between our Company and BCDA which is the test required to prove appreciable adverse effect on competition. The matter is currently pending.

4. An information request dated April 3, 2014 was filed by Joy Deb Das (“**the Informant**”) under Section 19 of the Competition Act, 2002 basis which the Competition Commission of India (“**CCI**”) conducted an investigation against our Company. A complaint dated June 2, 2016 was then filed on alleged malpractices by our Company resulting in violations of the provisions under the Competition Act, 2002. The Informant alleged that the Informant was asked to procure no objection certificate or a stock availability information (“**NOC/SAI**”) from Bengal Chemists and Druggists Association (“**BCDA**”) as part of fulfilling the formalities, despite being granted the offer letter by our Company. Thereafter, the CCI, pursuant to its order dated September 21, 2016, clubbed the case with other similar cases and directed the Directorate General of CCI (“**DG**”) to investigate for violations by our Company and BCDA in relation to anti-competitive agreements under the Competition Act, 2002. Our Company submitted that there was no requirement by our Company to submit NOC/SAI and the application for NOC/SAI was made by the Informant without the knowledge of our Company, and that the offer letter was cancelled for non-submission of the documents in a timely manner. Based on the investigation conducted by the DG, the CCI, by an order dated March 12, 2020 (“**CCI Order**”), did not impose a penalty but found our Company to be in contravention of Section 3(1) of the Competition Act, 2002 for entering into anti-competitive agreements and creating entry barriers for new entrants, and identified our Founder Managing Director and Promoter of our Company, Dr. Rajendra Agarwal, and other employees as persons responsible for conducting the business of our Company under Section 48(1) of the Competition Act, 2002. Subsequently, an appeal has been filed by our Company and other employees before the National Company Law Appellate Tribunal highlighting the infirmities in the CCI Order and on the grounds *inter alia* that there never existed any agreement between our Company and BCDA and further, that our Company neither required nor encouraged the submission of NOC/SAI for empanelment. The matter is currently pending. (“**Joy Deb Das Matter**”).

Litigation by the Company

Criminal Litigation

1. Our Company has filed a complaint dated April 18, 2014 before the Metropolitan Magistrate, Mumbai against CVSS Prasad (“**Accused 1**”) and Vamsi Mohan (“**Accused 2**” together with Accused 1, “**the Accused**”) under sections 420 read with 34 of the Indian Penal Code, 1908. Accused 2 represented to our Company that Accused 1 was a director of Pharma Formulations which rendered services for registration of trademarks and products in Nigeria. The Accused acted in concert and after payments were made to the Pharma Formulations firm, it was found that the firm did not possess a valid license to operate in Nigeria and failed to register products of our Company in Nigeria. Subsequently, Accused 1 has filed a criminal revision application alleging that our Company failed to submit the proper samples, documents and technical dossiers to the National Agency for Food and Drug Administration and Control, Nigeria, which caused delay in registration of the products. The matter is currently pending.
2. Our Company filed a complaint dated February 6, 2017 before the Metropolitan Magistrate at Andheri, Mumbai against M/s Shreeji Shrink Systems a partnership firm, and the partners therein (together, the “**Accused**”) for delivering poor quality ‘Shrink Wrapper Machines’ and conspiring with the intention to cheat and defraud our Company. The accused induced our Company with misrepresentations to pay advance amounts for the ‘Shrink Wrapper Machines’. The Accused initially supplied faulty machines, wilfully delayed installation and operation of the machines and thereafter supplied machines made of scrap material due to which our Company had to face losses. Our Company sought for the complaint to be referred to the senior inspector of police, MIDC police station to investigate the matter. By an order dated October 10, 2017 Additional Chief Metropolitan Magistrate directed the relevant police station to inquire into the complaint and file a report. The matter is currently pending.
3. Our Company has initiated 115 complaints against different parties for alleged violation of section 138 read with section 141 and 142 of the Negotiable Instruments Act, 1881 (“**NI Act**”) for dishonour of cheques. The cheques issued by various parties in favour of our Company were dishonoured due to insufficient funds in parties’ accounts in terms of the NI Act. The aggregate consolidated amount

involved in such cases is ₹ 37.65 million and our Company has sought for appropriate reliefs under the NI Act. All such proceedings are currently pending.

Material Civil Litigation

1. Our Company filed a writ petition on December 5, 2015 against the Ministry of Chemicals and Fertilizers and the National Pharmaceutical Pricing Authority (“NPPA”) and others before the Delhi High Court to challenge the demand notice dated October 1, 2015 of ₹ 651.84 million raised by the NPPA for alleged overcharging of Doxoril 400 Tabs under paragraph 13 of the Drugs (Prices Control) Order, 1995 for the period of January 15, 2010 to March 30, 2012 (“**Demand Notice**”). Our Company has claimed that *inter alia* the Demand Notice is bad in law, as the notifications dated April 30, 2009 and November 17, 2009 issued by the NPPA in relation to the price ceiling imposed on the Doxoril 400 Tabs were either stayed or stood quashed by an order dated March 15, 2011 of the Division Bench of the High Court of Delhi. The matter is currently pending.

Tax Litigation

Litigation involving the Company

Pursuant to a search and seizure carried out by the Income Tax department on January 28, 2016, our Company received assessment orders dated September 4, 2018 (“**Assessment Orders**”) for the assessment years 2014-15 and 2015-16 along with demand notices. Pursuant to the Assessment Orders, the Income Tax department disallowed sales promotion expenses, expenses pertaining to certain payments, expenses pertaining to transfer pricing for products supplied to our Company by M/s Oxalis Labs and revised deduction available to the Company under section 80IC of the Income Tax Act. The amount payable as per the demand notices issued by the Income Tax Department for the assessment years 2014-15 and 2015-16 were ₹ 504.46 million and ₹ 659.23 million, respectively. Thereafter, our Company has filed appeals for the assessment years 2014-15 and 2015-16 before the Commissioner of Income Tax (Appeals) against the assessment order on the grounds that, *inter alia*, (i) the apportionment/upholding of the research and development expenses to various units of our Company was incorrect, (ii) the authority erred in holding that our Company has inflated claims of deduction and initiating penalty proceedings. The matter is currently pending.

I. Litigation involving our Promoters

Litigation against our Promoters

Criminal Litigation

Banwarilal Bawri

Our Promoter, Banwarilal Bawri is named in the Kamal Maheshwari Matter. For more details, see “*Litigation involving our Company – Litigation filed against our Company – Criminal Litigation*” on page 437.

Material Civil Litigation

Nil.

Actions taken by Regulatory and Statutory Authorities

Girdharilal Bawri

Our Promoter, Girdharilal Bawri, is named in the Konkan Matter. For more details, see “*Litigation involving our Company – Litigation filed against our Company – Actions taken by Regulatory and Statutory Authorities*” on page 437.

Banwarilal Bawri

Our Promoter, Banwarilal Bawri, is named in the Konkan Matter and the Kottayam Matter. For more details, see “*Litigation involving our Company – Litigation filed against our Company – Actions taken by Regulatory and Statutory Authorities*” on page 437.

Dr. Rajendra Agarwal

Our Promoter, Dr. Rajendra Agarwal, is named in the Konkan Matter and the Joy Deb Das Matter. For more details, see “*Litigation involving our Company – Litigation filed against our Company – Actions taken by Regulatory and Statutory Authorities*” on page 437.

Litigation by our Promoter

Criminal Litigation

Nil.

Civil Litigation

Nil.

II. Litigation involving our Directors

Litigation against our Directors

Criminal Litigation

Banwarilal Bawri

Our Director, Banwarilal Bawri, is named in the Kamal Maheshwari Mater. For more details, see “*Litigation involving our Company – Litigation filed against our Company – Criminal Litigation*” on page 437.

Civil Litigation

Nil.

Actions taken by Regulatory and Statutory Authorities

Girdharilal Bawri

Our Director, Girdharilal Bawri, is named in the Konkan Matter. For more details, see “*Litigation involving our Company – Litigation filed against our Company – Actions taken by Regulatory and Statutory Authorities*” on page 437.

Banwarilal Bawri

Our Director, Banwarilal Bawri, is named in the Konkan Matter and the Kottayam Matter. For details, see “*Litigation involving our Company – Litigation filed against our Company – Actions taken by Regulatory and Statutory Authorities*” on page 437.

Dr. Rajendra Agarwal

Our Director, Dr. Rajendra Agarwal is named in the Konkan Matter and the Joy Deb Das Matter. For more details, see “*Litigation involving our Company – Litigation filed against our Company – Actions taken by Regulatory and Statutory Authorities*” on page 437.

Litigation by our Directors

Criminal Litigation

Nil.

Material Civil Litigation

Nil.

Litigation involving our Subsidiaries

Litigation against our Subsidiaries

Criminal Litigation

Nil.

Material Civil Litigation

Macleods Pharma USA, Inc.

For details, see “*Litigation involving our Company – Litigation filed against our Company – Material Civil Litigation*” on page 437.

Action taken by Regulatory and Statutory Authorities

Nil.

Litigation by our Subsidiaries

Criminal Litigation

Nil.

Material Civil Litigation

Nil.

- III.** Except as disclosed below, there are no proceedings related to direct and/ or indirect taxes pending against our Company, Subsidiaries, Promoters and Directors:

Nature of case	Number of cases	Amount involved* (in ₹ million)
<i>Our Company</i>		
Direct Tax	13	1,318.22
Indirect Tax	17	399.57
<i>Our Subsidiaries</i>		
Direct Tax	Nil	Nil
Indirect Tax	1	Nil
<i>Our Promoter(s)</i>		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
<i>Our Directors[#]</i>		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

* To the extent quantifiable.

[#] Other than the Directors who are Promoters of our Company.

Outstanding dues to creditors

Our Board, in its meeting held on February 3, 2022 has considered and adopted a policy of materiality for identification of material 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, 2021 based on the Restated Consolidated Financial Information of our Company was outstanding, were considered ‘material’ creditors. As per the Restated Consolidated Financial Information, our total trade payables as of September 30, 2021, was ₹ 8,491.63 million and accordingly, creditors to whom outstanding dues exceed ₹ 424.58 million have been considered as material creditors for the purposes of disclosure in this Draft Red Herring Prospectus.

Based on this criteria, details of outstanding dues owed as of September 30, 2021 by our Company are set out below:

Type of Creditors	Number of Creditors	Amount (in ₹ million)
Micro, Small and Medium Enterprises	651	865.57
Material creditors	4	3,569.38
Other creditors	6,263	4,056.68
Total	6,918	8,491.63

The details pertaining to outstanding dues towards our material creditors are available on the website of our Company at www.macleodspharma.com/investor.

Material Developments

Except as disclosed in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant Developments after September 30, 2021*” on page 435 and 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

We have set out below a list of material approvals, consents, licences and permissions from various governmental and regulatory authorities required to be obtained by us and our Material Subsidiary which are considered material and necessary for the purpose of undertaking our business activities and operations (“**Material Approvals**”). In view of the approvals listed below, our Company can undertake this Offer and its business activities, as applicable. In addition, certain of Material Approvals of our Company and our Material Subsidiary may have lapsed or expired or may lapse in their normal course and our Company and our Material Subsidiary have either already made applications to the appropriate authorities for renewal of such Material Approvals or are in the process of making such renewal applications in accordance with applicable requirements and procedures. Unless otherwise stated, Material Approvals as set out below, are valid as on date of this Draft Red Herring Prospectus.

For details of risk associated with not obtaining or delay in obtaining the requisite approvals, see “Risk Factors - We are subject to extensive government regulation and may fail to obtain, maintain or renew statutory and regulatory licenses, permits and approvals required to operate our business both in India and abroad” on page 40. For details in connection with the regulatory and legal framework within which we operate, see “Key Regulations and Policies” on page 190.

I. Incorporation related approvals of our Company

1. Certificate of incorporation dated June 5, 1989, under the name Macleods Pharmaceuticals Private Limited issued by the RoC to our Company.
2. Fresh certificate of incorporation dated January 30, 1997 issued by the RoC to our Company consequent upon change of name to Macleods Pharmaceuticals Limited.

II. Approvals in relation to the Offer

For 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 446.

III. Material Approvals in relation to business operations of our Company

Material Approvals in relation to our business operations

In order to operate our manufacturing facilities in India, our Company requires various approvals and/or licenses under various state and central laws, rules and regulations. These approvals and/or licenses, *inter alia*, include (a) licenses under the Factories Act, 1948, (b) licenses under the Drugs and Cosmetics Act, 1940 and the Drugs and Cosmetics Rules, 1945, (c) approval from the central and state and pollution control board under the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981, Hazardous and Other Wastes (Management, Transboundary Movement) Rules, 2016, Bio-Medical Waste Management Rules, 2016, the Narcotic Drugs and Psychotropic Substances Act, 1985, the Explosives Act, 1884 and the Explosive Rules, 2008, Petroleum Rules, 2002, (d) approvals to operate in special economic zones, (e) Fire no-objection certificates from regional authorities and (f) certification for adhering to the World Health Organisation – Good Manufacturing Practices by regional drug authorities.

Material Approvals for which applications have been made

We have obtained the material permits, licenses and approvals from the appropriate regulatory and governing authorities required to operate our facilities. Certain approvals may have lapsed in their normal course and our Company has either made applications to the appropriate authorities for renewal of such licenses and/or approvals or is in the process of making such applications. Details of such applications made are set out below:

- Renewal of consolidated consent to authorise under the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981 with respect to our manufacturing units at Daman Unit II, Unit III, Unit IV and Unit VII;
- Renewal of consent to establish for proposed enhancement of production capacity of existing products under the Water (Prevention and Control of Pollution) Act, 1974 and the Air

(Prevention and Control of Pollution) Act, 1981 with respect to our manufacturing unit at Daman Unit IV;

- Renewal of consent under the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981 with respect to our research and development centre at Plot No. G-13;
- Renewal of authorisation under Bio-Medical Waste (Management and Handling) Rules, 1998 with respect to our research and development centre at Plot No. 18 and Plot No. 95;
- Renewal of license to import and store petroleum under the Petroleum Rules, 2002 with respect to our manufacturing unit at Sarigam; and
- Renewal of fire no objection certificates from regional authorities for our research and development centres at Plot No. G2, Plot No. 18 and Plot No. 19 and our manufacturing unit at Baddi.

Material Approvals expired and renewal to be applied for

As on the date of this Draft Red Herring Prospectus, the following are the approvals that have expired or have not been renewed by our Company

- Fire no objection certificate from regional authorities for our research and development centre at Plot No. 95.

Foreign trade related approvals

Our Company has obtained an importer exporter code bearing number 0391172867 from the Office of Additional Directorate General of Foreign Trade, Department of Commerce, Ministry of Commerce and Industry, Government of India on April 1, 1991. This code is valid until cancelled.

Tax related approvals

Our Company has obtained registrations under various central and state specific tax laws such as the Income Tax Acts, 1961, goods and service tax acts, state specific profession tax acts. Our Company has obtained the necessary licenses and approvals from the appropriate regulatory and governing authorities in relation to such tax laws. Our permanent account number is AAACM4100C and our tax deduction account number is MUMM19656A.

Labour related approvals

Our Company has obtained registrations under various employee and labour related laws including the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, as amended, the Contract Labour (Regulations and Abolition Act), 1970, the Employees State Insurance Act, 1948 as amended and the relevant shops and establishment legislations, as applicable state-wise.

Intellectual property

As of September 30, 2021, our Company has 1 registered patent and has applied for the registration of 8 patents in India. Further, our Company has 578 registered trademarks and has applied for 212 trademarks which are pending at various stages in India, Kazakhstan, Ukraine and USA respectively. For details. See "Our Business – Intellectual Property" on page 180.

IV. Material Approvals in relation to our Material Subsidiary

Macleods Pharma USA, Inc.

As certified by Kratz & Barry, LLP, by way of their certificate dated February 9, 2022, Macleods Pharma USA, Inc. has been duly incorporated and validly exists under the laws of the State of Delaware in the United States of America as a corporation with the State of Delaware file number 5062107. Further, Macleods Pharma USA, Inc. has received all material approvals, authorizations, consents, orders, licenses, registrations, permits or qualifications ("Governmental Authorizations") of any governmental agency or body or any stock exchange or any other regulatory body having jurisdiction over Macleods Pharma USA, Inc. (whether at the national or local level) and has made all material declarations, reports and filings with such

Governmental Agencies, which are necessary or required for the Company to own, lease, license and use its assets and properties and to conduct its business.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer has been authorised by our Board pursuant to a resolution passed at its meeting held on February 3, 2022. Further, our Board has taken on record the consents of the Offer for Sale by the Selling Shareholders pursuant to its resolution dated February 3, 2022. Our Board and the IPO Committee have approved this Draft Red Herring Prospectus pursuant to their resolutions each dated February 14, 2022.

Each of the Selling Shareholders has, severally and not jointly, authorised and confirmed inclusion of their portion of the Offered Shares as part of the Offer for Sale, as set out below:

Selling Shareholder	Number of Offered Shares	Amount of Offered Shares (In ₹ million)	Date of consent letter
Girdharilal Bawri	Up to 6,370,275 Equity Shares	Up to [●]	February 3, 2022
Banwarilal Bawri	Up to 8,955,582 Equity Shares	Up to [●]	February 3, 2022
Dr. Rajendra Agarwal	Up to 5,280,514 Equity Shares	Up to [●]	February 3, 2022
Prateek Agarwal	Up to 7,630,901 Equity Shares	Up to [●]	February 3, 2022
Ajay Agarwal	Up to 6,582,955 Equity Shares	Up to [●]	February 3, 2022
Vijay Agarwal	Up to 6,313,461 Equity Shares	Up to [●]	February 3, 2022
Anju Agarwal	Up to 4,933,239 Equity Shares	Up to [●]	February 3, 2022
Gauri Agarwal	Up to 4,893,242 Equity Shares	Up to [●]	February 3, 2022
Dr. Ruchi Agarwal	Up to 4,851,700 Equity Shares	Up to [●]	February 3, 2022
Sudha Bawri	Up to 2,678,815 Equity Shares	Up to [●]	February 3, 2022
Shalini Kedia	Up to 805,996 Equity Shares	Up to [●]	February 3, 2022
Anushree Agarwal	Up to 694,490 Equity Shares	Up to [●]	February 3, 2022
Taradevi Bawri	Up to 490,870 Equity Shares	Up to [●]	February 3, 2022

** Each Selling Shareholder, severally and not jointly, confirms that, as required under Regulation 8 of the SEBI ICDR Regulations, the Equity Shares being offered by each of the Selling Shareholders have been held by such Selling Shareholder for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus in accordance with the SEBI ICDR Regulations and accordingly, are eligible for the Offer in accordance with the provisions of the SEBI ICDR Regulations.*

Our Company 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, each of the Selling Shareholders, Directors, members of our Promoter Group and the persons in control of our Company are not prohibited from accessing the capital market 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 other company which has been debarred from accessing the capital markets by SEBI.

Our Company, Promoters and Directors have not been declared as Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on Wilful Defaulters or Fraudulent Borrowers issued by the RBI.

Our Promoters or Directors have not been declared as Fugitive Economic Offenders.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoters, each of the Selling Shareholders and members of our Promoter Group, are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable to each of them as on the date of this Draft Red Herring Prospectus.

Directors associated with the securities market

None of our Directors are associated with the securities market in any manner including securities market related business.

There are no outstanding action(s) initiated by SEBI against the Directors of our Company 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(1) of the SEBI ICDR Regulations as set out under the eligibility criteria and as derived from the Restated Consolidated Financial Information:

- (a) Our Company has had net tangible assets of at least ₹ 30 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each);
- (b) Our Company has an average operating profit of at least ₹ 150 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;
- (c) Our Company has a net worth of at least ₹ 10 million in each of the preceding three full years (of 12 months each), calculated on a restated and consolidated basis; and
- (d) Our Company has not changed its name in the last one year.

Unless stated otherwise, our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, operating profits and net worth, have been derived from the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus as at, and for the last three Financial Years, which are set forth below:

Statement of monetary assets as a percentage of net tangible assets

(₹ in million, unless otherwise stated)

Particulars	As at		
	March 31, 2021	March 31, 2020	March 31, 2019
Net tangible assets (A)	57,290.72	95,641.27	75,605.65
Pre-tax operating profits (B)	19,622.60	15,082.41	10,810.59
Net worth (C)	37,960.52	75,654.16	60,149.52
Monetary assets (D)	3,785.79	27,563.42	21,431.93
Monetary assets, as a % of net tangible assets (D) / (A)	6.61%	28.82%	28.35%

Notes:

(₹ in million, unless otherwise stated)

Particulars	As at		
	March 31, 2021	March 31, 2020	March 31, 2019
Total assets	57,347.37	95,733.87	75,688.69
Less: Other intangible assets	56.65	64.20	54.64
Less: Intangible assets under development	-	-	-
Less: Goodwill	-	28.40	28.40
Net tangible assets (A)	57,290.72	95,641.27	75,605.65
Equity share capital	199.61	199.61	199.61
Other Equity	37,760.91	75,454.55	59,949.91
Net Worth (C)	37,960.52	75,654.16	60,149.52
Cash and cash equivalents	721.47	1,267.46	533.47
Deposits with bank/NBFC (having original maturity more than three months but residual maturity of less than twelve months after excluding deposits under lien)	1,129	3,553.81	16,382.19
Deposits with bank/NBFC with maturity period of more than 12 months	1,935.32	18,631.89	2,676.93
Investments in Mutual Funds/bonds	-	4,110.26	1,839.34
Monetary assets (D)	3,785.79	27,563.42	21,431.93
Monetary assets, as a % of net tangible assets (D) / (A)	6.61%	28.82%	28.35%

Note:*(₹ in million, unless otherwise stated)*

Particulars	Year ended		
	March 31, 2021	March 31, 2020	March 31, 2019
Profit before tax	25,060.26	18,597.98	15,178.81
Less: Other income	5,500.68	3,593.17	4,424.63
Add: Finance costs	63.02	77.60	56.41
Pre-tax operating profit (B)	19,622.60	15,082.41	10,810.59

The average restated operating profit of the Company for the preceding three fiscal's years i.e. March 31, 2021, March 31, 2020 and March 31, 2019 is ₹15,171.87 million.

Explanatory notes

- “Net tangible assets” means the sum of all the total assets of our Company excluding intangible assets, Goodwill, intangible assets under development and Non-controlling interest.*
- “Net worth” means the aggregate value of the paid-up share capital and all reserves (including non-controlling interest) created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the Restated Consolidated Financial Information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*
- “Monetary assets” represent the sum of cash and cash equivalents, other bank balances, deposits with banks/NBFC (excluding lien) and investment in mutual / liquid funds.*
- “Pre-tax operating profit” is defined as profit before finance costs, other income and tax expense.*

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. Our Company is in compliance with the conditions specified in Regulation 5 of the SEBI ICDR Regulations. The details of our compliance with Regulation 5 of the SEBI ICDR Regulations are as follows:

- None of our Company, our Promoters, members of our Promoter Group, our Directors or any of the Selling Shareholders are debarred from accessing the capital markets by the SEBI.
- None of our Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.
- None of our Company, our Promoters or Directors is a Wilful Defaulter or Fraudulent Borrower.
- None of our Promoters or Directors has been declared a fugitive economic offender in accordance with the Fugitive Economic Offenders Act, 2018.
- There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

The Selling Shareholders confirm that they have held the Offered Shares for a continuous period of at least one year prior to the date of this Draft Red Herring Prospectus or are otherwise eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations.

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(1) of the SEBI ICDR Regulations. Accordingly, in accordance with Regulation 32(1) of the SEBI ICDR Regulations we are required to allot not more than 50% of the Net Offer to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis or in any other manner as introduced under applicable laws to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to RIBs 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 SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE 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, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED, EDELWEISS FINANCIAL SERVICES LIMITED, ICICI SECURITIES LIMITED AND NOMURA FINANCIAL ADVISORY AND SECURITIES (INDIA) PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED. 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 OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS AND EACH OF THE SELLING SHAREHOLDERS WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF OR ITS RESPECTIVE PORTION OF THE OFFERED SHARES, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 15, 2022, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY 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.

Disclaimer from our Company, the Directors, the Selling Shareholders, the Book Running Lead Managers

Our Company, the Directors, each of the Selling Shareholders, the Book Running Lead Managers accept no responsibility for statements made in relation to the Company or the Offer other than those confirmed by it in relation to itself or its Offered Shares 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.macleodspharma.com, or the websites of the members of our Promoter Group or our Subsidiaries, or any of the Group Companies would be doing so at his or her own risk. Each Selling Shareholder accept or undertake no responsibility for any statements including without limitation any statement made by or in relation to the Company or its business, other than those specifically undertaken or confirmed by the respective Selling Shareholders 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 the Underwriting Agreement to be entered into among the Underwriters, the Selling Shareholders and our Company.

All information shall be made available by our Company, each Selling Shareholder (to the extent that the information pertain to itself and its respective portion of the Offered Shares), the Book Running Lead Managers to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, partners, 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, allot, 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, Underwriters and their respective directors, partners, 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 may engage in transactions with, and perform services for, our Company, the Selling Shareholders and their respective group companies, 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 or become customers to our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

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, Indian Mutual Funds registered with SEBI, 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 respective 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, AIFs and other eligible foreign investors, if any, provided 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 other than in India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. 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. Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus will be 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 any of 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 offered in the Offer 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 (i) within the United States only to “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as “**U.S. QIBs**”) in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in “offshore transactions” as defined in, and in reliance on, Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. For the avoidance of doubt, the term “**U.S. QIBs**” does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”.

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.

Until the expiry of 40 days after the commencement of this Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in this Offer) may violate the registration requirements of the U.S. Securities Act if such an offer for sale is made otherwise than in compliance with Section 4(a)(2) or Rule 144A or another available exemption from registration under the U.S. Securities Act and in accordance with applicable state securities laws in the United States.

Eligible Investors

The Equity Shares are being offered and sold:

- i. in the United States to investors that are US QIBs in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act; and
- ii. outside the United States in “offshore transactions” in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur;

and in each case who are deemed to have made the representations set forth immediately below.

Equity Shares Offered and Sold within the United States

Each purchaser that is acquiring the Equity Shares offered pursuant to this Offer within the United States, by its acceptance of this Draft Red Herring Prospectus and of the Equity Shares, will be deemed to have acknowledged, represented to and agreed with our Company and the BRLMs that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorised to consummate the purchase of the Equity Shares offered pursuant to this Offer in compliance with all applicable laws and regulations;
2. the purchaser acknowledges that the Equity Shares offered pursuant to this Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly 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;
3. the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it is being made in a transaction exempt from or not subject to the registration requirements of the U.S. Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of a U.S. QIB with respect to which it exercises sole investment discretion;
4. the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;
5. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A under the U.S. Securities Act or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act and (B) in accordance with all applicable laws,

including the securities laws of the states of the United States. The purchaser understands that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them;

6. the Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such Equity Shares;
7. the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act;
8. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any “directed selling efforts” as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;
9. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless our Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE “**U.S. SECURITIES ACT**”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE U.S. SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

10. Our Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and
11. The purchaser acknowledges that our Company, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

All Other Equity Shares Offered and Sold in this Offer

Each purchaser that is acquiring the Equity Shares offered pursuant to this Offer outside the United States, by its acceptance of this Draft Red Herring Prospectus and of the Equity Shares offered pursuant to this Offer, will be deemed to have acknowledged, represented to and agreed with our Company and the BRLMs that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorised to consummate the purchase of the Equity Shares offered pursuant to this Offer in compliance with all applicable laws and regulations;
2. the purchaser acknowledges that the Equity Shares offered pursuant to this Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly 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;

3. the purchaser is purchasing the Equity Shares offered pursuant to this Offer in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act;
4. the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares offered pursuant to this Offer, was located outside the United States at the time (i) the offer for such Equity Shares was made to it and (ii) when the buy order for such Equity Shares was originated and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;
5. the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;
6. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act and (B) in accordance with all applicable laws, including the securities laws of the States of the United States. The purchaser understands that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them;
7. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any “directed selling efforts” as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;
8. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless our Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE “**U.S. SECURITIES ACT**”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE U.S. SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

9. our Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and
10. the purchaser acknowledges that our Company, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Our Company, the BRLMs and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been 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 filing with the RoC.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been 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 filing with the RoC.

Listing

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for permission to deal in and for an official quotation 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 such time prescribed by SEBI. 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 or such other rate prescribed by SEBI.

Each Selling Shareholder, severally and not jointly, undertakes to provide such reasonable assistance as may be requested by our Company, to the extent such assistance is required from such Selling Shareholder in relation to its respective portion of the Offered Shares to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within such time prescribed by SEBI.

Consents

Consents in writing of each of the Selling Shareholders, our Directors, our Company Secretary and Compliance officer, legal counsels, the Book Running Lead Managers, the bankers to our Company, IQVIA, Statutory Auditors, independent chartered engineer, independent intellectual property consultant and the Registrar to the Offer to act in their respective capacities, have been obtained and consents in writing of the Syndicate Members, Bankers to the Offer (Escrow Collection Bank, Public Offer Account Bank, Sponsor Bank and Refund Bank) to act in their respective capacities, will be obtained, and will be filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus for filing with the RoC.

Experts to the Offer

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

Our Company has received a written consent dated February 14, 2022 from our Joint Statutory Auditors, namely, Walker Chandiok & Co LLP and B.A.K.D. & Co., to include their names as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this DRHP, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Joint Statutory Auditors, and in respect of their (a) joint examination report dated February 3, 2022 on the Restated Consolidated Financial Information, (b) reports each dated February 12, 2022 on the statement of special tax benefits (c) report on the compilation of Pro Forma Consolidated Financial Information dated February 9, 2022 and related notes. Further, our Company has received a written consent dated February 14, 2022 from B.A.K.D. & Co. in relation to the key

performance indicators included in this DRHP. Such consents have not been withdrawn as on the date of this DRHP. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Our Company has received written consent dated January 15, 2022, from the independent chartered engineer, namely Prabhakar Vithal Upadhye (membership number: AM046165), to include their name in this DRHP and as an “expert” as defined under Section 2(38) of the Companies Act, 2013, to the extent and in their capacity as a chartered engineer, in relation to his certificate dated January 15, 2022 certifying the details of volumes of our products, polymers processed, machines and moulds included under “*Capacity and Capacity Utilization*” on page 182 of this DRHP and such consent has not been withdrawn as on the date of this DRHP.

Our Company has also received written consent dated January 31, 2022 from Ediplis Counsels as intellectual property consultant to include their name under Section 26(5) of the Companies Act, 2013 in this DRHP and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of their certificate dated January 31, 2022 on the (i) patent and trademark filings and registrations; (ii) product filings and registrations; and (iii) manufacturing facilities, research and development facilities and bio-study centres of the Company in India and certain other jurisdictions, and such consent has not been withdrawn as on the date of this DRHP.

Particulars regarding public or rights issues by our Company during the last five years and performance vis-à-vis objects

Our Company has not made any public or rights issues (as defined under the SEBI ICDR Regulations) during the five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Last issue of subsidiaries and promoters

As on date of this Draft Red Herring Prospectus, our Company does not have a corporate promoter and our Subsidiaries are not listed on any stock exchange.

Underwriting Commission, Brokerage and Selling Commission paid on previous issues of the Equity Shares

Since this is the initial public offer of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

Capital issue during the previous three years by listed subsidiaries or associates of our Company

Our Company does not have any listed Subsidiaries or associates, as on the date of this Draft Red Herring Prospectus

Capital issue during the preceding three years by our Company

Other than as disclosed in “*Capital Structure – Equity Share capital history of our Company*” on page 87, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus. Further, our Company has not made any public or rights issue in the last five years.

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)

A. Kotak Mahindra Capital Company Limited

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Kotak Mahindra Capital Company Limited

S. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1.	Adani Wilmar Limited	36,000.00	230	February 8, 2022	227.00	-	-	-
2.	C.E. Info Systems Limited	10,396.06	1,033	December 21, 2021	1,581.00	+70.21%, [+6.71%]	-	-
3.	Rategain Travel Technologies Limited	13,357.43	425 ²	December 17, 2021	360.00	+11.99%, [+7.48%]	-	-
4.	Star Health And Allied Insurance Company Limited	64,004.39	900 ³	December 10, 2021	845.00	-14.78%, [+1.72%]	-	-
5.	PB Fintech Limited	57,097.15	980	November 15, 2021	1,150.00	+14.86%, [-4.33%]	- 20.52%, [-4.06%]	-
6.	FSN E-commerce Ventures Limited	53,497.24	1,125 ⁴	November 10, 2021	2,018.00	+92.31%, [-2.78%]	+68.46%, [-4.46%]	-
7.	Aditya Birla Sun Life AMC Limited	27,682.56	712	October 11, 2021	715.00	-11.36%, [+0.55%]	-23.85% [-0.74%]	-
8.	Vijaya Diagnostic Centre Limited	18,942.56	531 ⁵	September 14, 2021	540.00	+5.41%, [+4.50%]	+8.08% [+0.76%]	-
9.	Aptus Value Housing Finance India Limited	27,800.52	353	August 24, 2021	333.00	-2.82%, [+5.55%]	-0.82%, [+6.86%]	-
10.	Cartrade Tech Limited	29,985.13	1,618	August 20, 2021	1,599.80	-10.31%, [+6.90%]	-32.68%, [+8.80%]	-

Source: www.nseindia.com; www.bseindia.com

Notes:

1. In Adani Wilmar Limited, the issue price to eligible employees was ₹ 209 after a discount of ₹ 21 per equity share
2. In Rategain Travel Technologies Limited, the issue price to eligible employees was ₹ 385 after a discount of ₹ 40 per equity share
3. In Star Health And Allied Insurance Company Limited, the issue price to eligible employees was ₹ 820 after a discount of ₹ 80 per equity share
4. In FSN E-Commerce Ventures Limited, the issue price to eligible employees was ₹ 1,025 after a discount of ₹ 100 per equity share
5. In Vijaya Diagnostic Centre Limited, the issue price to eligible employees was ₹ 479 after a discount of ₹ 52 per equity share
6. In the event any day falls on a holiday, the price/index of the immediately preceding trading day has been considered.
7. The 30th, 90th, 180th calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days.
8. Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information.
9. Restricted to last 10 equity initial public issues.

2. *Summary statement of price information of past issues handled by Kotak Mahindra Capital Company Limited*

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	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	18	592,556.04	-	-	5	5	4	3	-	1	-	7	-	-
2020-21	6	140,143.77	-	-	1	2	1	2	-	-	-	4	1	1
2019-20	4	136,362.82	-	1	-	-	1	2	-	-	1	-	1	2

Notes:

1. The information is as on the date of this Draft Red Herring Prospectus.
2. The information for each of the financial years is based on issues listed during such financial year.

B. Citigroup Global Markets India Private Limited

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Citigroup Global Markets India Private Limited.

S.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.	Star Health and Allied Insurance Company Limited	64,004.39	900.00	December 10, 2021	845.00	-14.78%[+1.96%]	NA	NA
2.	One 97 Communications Limited	183,000.00	2,150.00	November 18, 2021	1,955.00	-38.56%[-4.17%]	NA	NA
3.	PB Fintech Limited	57,097.15	980.00	November 15, 2021	1,150.00	14.86%[-4.17%]	-20.52%[-4.06%]	NA
4.	FSN E-Commerce Ventures Limited	53,497.24	1,125.00	November 10, 2021	2,018.00	92.31%[-2.53%]	68.46%[-4.46%]	NA
5.	Aditya Birla Sun Life AMC Limited	27,682.56	712.00	October 11, 2021	715.00	-11.4%[-0.98%]	-23.85%[-0.51%]	NA
6.	Aptus Value Housing Finance India Limited	27,800.52	353.00	August 24, 2021	333.00	-2.82%[+5.55%]	-0.82%[+7.38%]	NA
7.	Cartrade Tech Limited	29,985.13	1,618.00	August 20, 2021	1,599.80	-10.31%[+6.90%]	-32.68%[+9.24%]	NA
8.	Zomato Limited	93,750.00	76.00	July 23, 2021	116.00	+83.29%[+3.75%]	+81.45%[+15.20%]	+75.07%[14.23%]
9.	Kalyan Jewellers India Limited	11,748.16	87.00	March 26, 2021	73.95	-24.60%[-1.14%]	-7.07%[+8.13%]	-21.95%[+19.92%]
10.	Gland Pharma Limited	64,795.45	1,500.00	November 20, 2020	1,710.00	+48.43%[+7.01%]	+57.27%[+18.27%]	+104.17%[+17.49%]

Source: www.nseindia.com

Notes:

(1) Nifty is considered as the benchmark index.

(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 NSE of a trading day immediately prior to the 30th / 90th / 180th day, is considered.

2. *Summary statement of price information of past issues handled by Citigroup Global Markets India Private Limited.*

Financial Year	Total no. of IPOs	Total amount of funds raised (₹mn.)	No. of IPOs trading at discount – 30 th calendar days from listing			No. of IPOs trading at premium – 30 th calendar days from listing			No. of IPOs trading at discount – 180 th calendar days from listing			No. of IPOs trading at premium – 180 th 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	-	-	-	1	-	-
2020-21	3	98,142.45	-	-	2	-	1	-	-	-	1	1	-	1
2019-20	1	13,452.6	-	-	-	-	-	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.

C. Edelweiss Financial Services Limited

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Edelweiss Financial Services Limited

S. No.	Issue Name	Issue Size (₹ million) #	Issue price (₹)	Listing Date	Opening Price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1.	MedPlus Health Services Limited	13,982.95	796.00@	December 23, 2021	1,015.00	53.22% [3.00%]	Not Applicable	Not Applicable
2.	Tarsons Products Limited	10,234.74	662.00\$	November 26, 2021	700.00	-4.16% [0.03%]	Not Applicable	Not Applicable
3.	S. J. S. Enterprises Limited	8,000.00	542.00	November 15, 2021	542.00	-24.99% [-4.33%]	-29.33% [-4.06%]	Not Applicable
4.	Vijaya Diagnostic Centre Limited	18,942.56	531.00*	September 14, 2021	540.00	5.41% [4.50%]	8.08% [0.76%]	Not Applicable
5.	Aptus Value Housing Finance India Limited	27,800.52	353.00	August 24, 2021	333.00	-2.82% [5.55%]	-0.82% [6.86%]	Not Applicable
6.	Devyani International Limited	18,380.00	90.00	August 16, 2021	140.90	32.83% [4.93%]	78.39% [9.30%]	97.17% [4.90%]
7.	Powergrid Infrastructure Investment Trust	77,349.91	100.00	May 14, 2021	104.00	14.00% [7.64%]	22.04% [10.93%]	21.83% [22.94%]
8.	Macrotech Developers Limited	25,000.00	486.00	April 19, 2021	439.00	30.19% [-4.68%]	75.62% [10.85%]	146.92% [27.86%]
9.	Stove Kraft Limited	4,126.25	385.00	February 5, 2021	467.00	30.70% [-0.64%]	28.96% [-4.05%]	114.38% [6.09%]
10.	Indigo Paints Limited^	11,691.24	1,490.00^	February 2, 2021	2,607.50	75.36% [3.31%]	55.52% [-2.04%]	74.76% [5.60%]

Source: www.nseindia.com and www.bseindia.com

^Indigo Paints Limited - A discount of ₹ 148 per equity share was offered to eligible employees bidding in the employee reservation portion. All calculations are based on the offer price of ₹1490 per equity share.

*Vijaya Diagnostic Centre Limited - A discount of ₹ 52 per equity share was offered to eligible employees bidding in the employee reservation portion. All calculations are based on the offer price of ₹531 per equity share.

\$Tarsons Products Limited - A discount of ₹ 61 per equity share was offered to eligible employees bidding in the employee reservation portion. All calculations are based on the offer price of ₹662 per equity share.

@MedPlus Health Services Limited - A discount of ₹ 78 per equity share was offered to eligible employees bidding in the employee reservation portion. All calculations are based on the offer price of ₹796 per equity share.

#As per Prospectus.

Notes

1. Based on date of listing.
 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. Wherever 30th / 90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.
 4. Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information and benchmark index.
 5. Not Applicable. – Period not completed
- Disclosure in Table-1 restricted to 10 issues.

2. *Summary statement of price information of past issues handled by Edelweiss Financial Services Limited*

Fiscal Year*	Total no. of IPOs	Total amount of funds raised (₹ Mn.)#	No. of IPOs trading at discount - 30 th calendar days from listing			No. of IPOs trading at premium - 30 th calendar days from listing			No. of IPOs trading at discount - 180 th calendar days from listing			No. of IPOs trading at premium - 180 th 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	1,99,690.68	-	-	3	1	2	2	-	-	-	2	-	1
2020-21	7	45,530.35	-	-	1	3	1	2	-	-	1	5	1	-
2019-20	3	23,208.49	-	-	-	-	1	2	-	1	-	1	-	1

The information is as on the date of the document

1. Based on date of listing.
2. Wherever 30th and 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.
3. Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information and benchmark index.

*For the financial year 2021-22- 8 issues have been completed of which 3 issue has completed 180 calendar days.

#As per Prospectus

D. ICICI Securities Limited

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by ICICI Securities Limited:

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]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1	Sapphire Foods India Limited ^{^^}	20,732.53	1,180.00	18-NOV-21	1,350.00	+3.69%,-4.39%	NA*	NA*
2	Latent View Analytics Limited [^]	6,000.00	197.00 ⁽¹⁾	23-NOV-21	530.00	+153.58%,-2.96%	NA*	NA*
3	Tarsons Products Limited [^]	10,234.74	662.00 ⁽²⁾	26-NOV-21	700.00	-4.16%,+0.03%	NA*	NA*
4	Go Fashion (India) Limited ^{^^}	10,136.09	690.00	30-NOV-21	1,310.00	+59.75%,+1.36%	NA*	NA*
5	Star Health and Allied Insurance Company Limited ^{^^}	60,186.84	900.00 ⁽³⁾	10-DEC-21	845.00	-14.78%,+1.72%	NA*	NA*
6	Shriram Properties Limited ^{^^}	6,000.00	118.00 ⁽⁴⁾	20-DEC-21	90.00	-12.42%,+9.02%	NA*	NA*
7	Metro Brands Limited [^]	13,675.05	500.00	22-DEC-21	436.00	+21.77%,+4.45%	NA*	NA*
8	Supriya Lifescience Limited [^]	7,000.00	274.00	28-DEC-21	425.00	+78.61%,-0.07%	NA*	NA*
9	AGS Transact Technologies Limited [^]	6,800.00	175.00	31-JAN-22	176.00	NA*	NA*	NA*
10	Adani Wilmar Limited ^{^^}	36,000.00	230.00 ⁽⁵⁾	08-FEB-22	227.00	NA*	NA*	NA*

*Data not available.

[^]BSE as designated stock exchange

^{^^}NSE as designated stock exchange

(1) Discount of Rs. 19 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 197.00 per equity share.

(2) Discount of Rs. 61 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 662.00 per equity share.

(3) Discount of Rs. 80 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 900.00 per equity share.

(4) Discount of Rs. 11 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 118.00 per equity share.

(5) Discount of Rs. 21 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 230.00 per equity share.

2. *Summary statement of price information of past issues handled by ICICI Securities Limited*

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Mn.)	No. of IPOs trading at discount - 30 th calendar days from listing			No. of IPOs trading at premium - 30 th calendar days from listing			No. of IPOs trading at discount - 180 th calendar days from listing			No. of IPOs trading at premium - 180 th 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*	25	7,12,028.24	-	2	6	6	3	6	-	-	-	3	1	1
2020-21	14	1,74,546.09	-	-	5	5	2	2	-	1	3	5	3	2
2019-20	4	49,850.66	-	-	2	-	1	1	1	-	-	2	-	1

* 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

E. Nomura Financial Advisory and Securities (India) Private Limited

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Nomura Financial Advisory and Securities (India) Private Limited:

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	MedPlus Health Services Limited	13,982.95	796 ¹	December 23, 2021	1,015.00	+53.22% [+3.00%]	Not applicable	Not applicable
2	Shriram Properties Limited	6,000.00	118 ²	December 20, 2021	90.00	-12.42% [+9.02%]	Not applicable	Not applicable
3	RateGain Travel Technologies Limited	13,357.35	425 ³	December 17, 2021	360.00	+11.99% [+7.48%]	Not applicable	Not applicable
4	Fino Payments Bank	12,002.93	577	November 12, 2021	548.00	-30.55% [-3.13%]	-34.56% [-3.66%]	Not applicable
5	Sansera Engineering	12,829.78	744	September 24, 2021	811.35	+0.30% [+1.29%]	+1.57% [-5.19%]	Not applicable
6	CarTrade Tech Limited	29,985.13	1,618	August 20, 2021	1,599.80	-10.31% [+5.75%]	-32.68% [+8.80%]	Not applicable
7	Sona BLW Precision Forgings Limited	55,500.00	291	June 24, 2021	302.40	+45.17% [+0.53%]	+93.40% [+11.97%]	+140.26% [+5.93%]
8	Nazara Technologies Limited	5,826.91	1,101 ⁴	March 30, 2021	1,990.00	+62.57% [+0.13%]	+38.22% [+6.84%]	+96.19% [+20.26%]
9	Gland Pharma Limited	64,795.45	1,500	November 20, 2020	1,701.00	+48.41% [+7.02%]	+57.20% [+17.82%]	+104.26% [+14.38%]
10	Computer Age Management Services Limited	22,421.05	1,230 ⁵	October 1, 2020	1,518.00	+5.52% [+2.37%]	+49.52% [+23.04%]	+43.67% [+26.65%]

Source: www.nseindia.com, www.bseindia.com

- Discount of INR78.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion
- Discount of INR11.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion
- Discount of INR40.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion
- Discount of INR110.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion
- Discount of INR122.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion

Notes:

- For each issue, depending on its Designated Stock Exchange, BSE or NSE; Sensex or Nifty50 is considered as the benchmark for each issue.

- b. For each issue, depending on its Designated Stock Exchange, price on BSE or NSE is considered for above calculations.
c. In case 30th/90th/180th day is not a trading day, closing price on BSE or NSE of the previous trading day has been considered.
d. Not applicable – Period not completed.

2. Summary statement of price information of past issues handled by Nomura Financial Advisory and Securities (India) Private Limited

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 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%
2021-2022	7	143,658.14	-	1	2	1	1	2	-	-	-	1	-	-
2020-2021	4	100,063.57	-	-	-	2	1	1	-	-	-	3	1	-
2019-2020	2	107,997.88	-	1	-	-	-	1	-	-	-	1	-	1

Source: www.nseindia.com, www.bseindia.com

Notes:

- a) The information is as on the date of this document.
b) The information for each of the financial years is based on issues listed during such financial year.

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 Managers	Website
1.	Kotak Mahindra Capital Company Limited	www.investmentbank.kotak.com
2.	Citigroup Global Markets India Private Limited	www.online.citibank.co.in
3.	Edelweiss Financial Services Limited	www.edelweissfin.com
4.	ICICI Securities Limited	www.icicisecurities.com
5.	Nomura Financial Advisory and Securities (India) Private Limited	www.nomuraholdings.com/company/group/asia/india/index.html

Stock Market Data of Equity Shares

This being an initial public issue 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.

Redressal and disposal of investor grievances by our Company

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 RIB 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 for the entire duration of delay exceeding four 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 SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 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. The following compensation mechanism shall be 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 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 BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. In terms of SEBI circular no. 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/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see “General Information –Book Running Lead Managers” on page 80.

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.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Bank for addressing any clarifications or grievances of ASBA Bidders. Our Company, 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.

Our Company has also appointed Siddhesh Mahadeo Rane, Company Secretary and Compliance officer for the Offer. For details, see “General Information” on page 79.

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 (seven) days from 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 within 30 days of receipt of complaint or upon receipt of satisfactory documents.

Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of this Draft Red Herring Prospectus. Furthermore, our Company does not have any listed group companies or listed subsidiaries.

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 in relation to redressal of investor grievances through SCORES.

Our Company has constituted a Stakeholders' Relationship Committee comprising Dr. Mihir Shah, Girdharilal Bawri and Banwarilal Bawri 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 220.

Other confirmations

Any person connected with the Offer shall not 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 initial public 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, SEBI Listing Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, the Bid cum Application Form, the Revision Form, the CAN or Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents or 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 and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, the 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 SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting their approval for the Offer.

The Offer

The Offer comprises of an Offer for Sale by the Selling Shareholders. Expenses for the Offer shall be shared amongst our Company and the Selling Shareholders in the manner specified in “*Objects of the Offer*”, on page 103.

Ranking of Equity Shares

The Equity Shares being offered/Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, our Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including in respect of the right to receive dividend, voting and other corporate benefits. For further details, see “*Main Provisions of Articles of Association*” on page 500.

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 Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For further details in relation to dividends, see “*Dividend Policy*” and “*Main Provisions of Articles of Association*” on pages 234 and 500, respectively.

Face Value, Offer Price and Price Band

The face value of each Equity Share is ₹ 1 and the Offer Price is ₹[●] per Equity Share. The Floor Price is ₹[●] per Equity Share and at the Cap Price is ₹[●] per Equity Share, being the Price Band. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Offer Price, Price Band, Employee Discount and the minimum Bid Lot will be decided by our Company and the Promoter Selling Shareholders in consultation with the Book Running Lead Managers and advertised in all editions of English national daily newspaper, [●], all editions of Hindi national daily newspaper, [●] and Mumbai editions of the Marathi daily newspaper [●] (Marathi being the regional language of Maharashtra, 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 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 and the Promoter Selling Shareholders, 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.

Employee Discount

Employee Discount of up to [●]% to the Offer Price (equivalent of ₹[●] per Equity Share) may be offered to the Eligible Employees bidding in the Employee Reservation Portion in accordance with the SEBI ICDR Regulations and details of which will be announced at least two Working Days prior to the Bid / Offer Opening Date.

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 and “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 Equity Shares, subject to applicable laws including any NHB and 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 “*Main Provisions of Articles of Association*” on page 500.

Allotment only in Dematerialised Form

Pursuant to Section 29 of the Companies Act and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. 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 November 18, 2021 amongst our Company, CDSL and the Registrar to the Offer; and
- Tripartite agreement dated February 12, 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 electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares. For further details, see “*Offer Procedure*” on page 479.

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 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. 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 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 Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act 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, 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.

Option to receive Equity Shares in Dematerialized Form

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

Withdrawal of the Offer

Our Company and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers, reserve the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of its respective portion of the 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 Bank, in case of RIBs using the UPI Mechanism, to unblock the bank accounts of the ASBA Bidders and shall notify 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 Equity Shares are proposed to be listed. The notice of the withdrawal will be issued in the same newspapers where the pre Offer advertisements have appeared.

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 and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers, withdraw the Offer after the Bid/Offer Closing Date and thereafter determine that they 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.

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

Event	Indicative Date
BID/OFFER OPENS ON	[●] ⁽¹⁾
BID/OFFER CLOSES ON	[●] ⁽²⁾⁽³⁾
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 demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

1. Our Company and the Promoter Selling Shareholders shall, in consultation with the Book Running Lead Managers, 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 in accordance with the SEBI ICDR Regulations.

2. Our Company and the Promoter Selling Shareholders shall, in consultation with the Book Running Lead Managers, 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.

3. UPI mandate end time and date shall be at 12.00 p.m. on [●].

* In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. 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 read with SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

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 six Working Days of the Bid/Offer Closing Date or such other time as may be 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 and the Promoter Selling Shareholders in consultation with the Book Running Lead Managers, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges or delay in receipt of final certificates from SCSBs, etc. 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. Each Selling Shareholder confirms, severally and not jointly, that it shall extend reasonable co-operation in relation to its respective portion of the Offered Shares required by our Company, the Book Running Lead Managers for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date or such other time as may be prescribed by SEBI.

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 six Working Days from the Bid/Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four 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 four 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.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the above mentioned timelines. Further, the offer procedure is subject to change basis 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 12.00 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 by RIBs and Eligible Employees Bidding under 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.

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. 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 will be accepted only during Monday to Friday (excluding any public holiday).

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.

For the avoidance of doubt, it is clarified that Bids not uploaded on the electronic bidding system or in respect of which 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, will be rejected.

Due to limitation of the time available for uploading the Bids on the Bid/Offer Closing Date, the 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. (Indian Standard Time) on the Bid/ Offer Closing Date. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation under this Offer. Bids and any revision in Bids will only be accepted on Working Days. 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. Neither our Company, nor the Investor Selling Shareholder, nor any member of the Syndicate is liable for any failure in uploading or downloading the Bids due to faults in any software / hardware system or otherwise.

Our Company and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers, reserves the right to revise the Price Band during the Bid/Offer Period in accordance with the SEBI 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 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 Self-Certified Syndicate Banks (“SCSBs”), other Designated Intermediaries and the Sponsor Bank, as applicable.

Minimum Subscription

As this is an offer for sale by the Selling Shareholders, the requirement of minimum subscription of 90% of the Offer under the SEBI ICDR Regulations is not applicable to this Offer. However, if our Company does not receive the minimum subscription in the Offer as specified under the terms of Rule 19(2)(b) of the SCRR, as applicable, on the date of closure of the Offer or withdrawal of applications; or after technical rejections; or if the listing or trading permission are not obtained from the Stock Exchanges for the Equity Shares so offered under the Offer document, our Company and the Selling Shareholders, to the extent applicable, shall forthwith refund the entire subscription amount received. If there is a delay beyond four days, our Company and the Selling Shareholders, to the extent applicable, shall pay interest at the rate of 15% per annum including the SEBI circular bearing no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. No liability to make any payment of interest shall accrue to the Selling Shareholders unless any delay in making any of the payments hereunder or any delay in obtaining listing or trading approvals or any other approvals in relation to the Offer is solely attributable to the relevant Selling Shareholder.

Under subscription, 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 and the Promoter Selling Shareholders, 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, the Selling Shareholders and 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 Promoter’s minimum contribution and the Anchor Investor lock-in as provided in “*Capital Structure*” on page 87 and except as provided in the Articles of Association, there are no restrictions on transfer or transmission of Equity Shares. For details see “*Main Provisions of Articles of Association*” on page 500.

OFFER STRUCTURE

The Offer is of up to 60,482,040 Equity Shares for cash at a price of ₹[●] each, aggregating up to ₹[●] million, comprising an Offer for Sale of up to 6,370,275 Equity Shares aggregating up to ₹[●] million by Girdharilal Bawri, up to 8,955,582 Equity Shares aggregating up to ₹[●] million by Banwarilal Bawri and up to 5,280,514 Equity Shares aggregating up to ₹[●] million by Dr. Rajendra Agarwal, up to 7,630,901 Equity Shares aggregating up to ₹[●] million by Prateek Agarwal, up to 6,582,955 Equity Shares aggregating up to ₹[●] million by Ajay Agarwal, up to 6,313,461 Equity Shares aggregating up to ₹[●] million by Vijay Agarwal, up to 4,933,239 Equity Shares aggregating up to ₹[●] million by Anju Agarwal, up to 4,893,242 Equity Shares aggregating up to ₹[●] million by Gauri Agarwal, up to 4,851,700 Equity Shares aggregating up to ₹[●] million by Dr. Ruchi Agarwal, up to 2,678,815 Equity Shares aggregating up to ₹[●] million by Sudha Bawri, up to 805,996 Equity Shares aggregating up to ₹[●] million by Shalini Kedia, up to 694,490 Equity Shares aggregating up to ₹[●] million by Anushree Agarwal and up to 490,870 Equity Shares aggregating up to ₹[●] million by Taradevi Bawri.

The Offer comprises of a Net Offer of up to [●] Equity Shares and Employee Reservation Portion of up to [●]* Equity Shares. The Employee Reservation Portion shall not exceed [●]% of our post-Offer paid-up Equity Share capital. The Offer and the Net Offer shall constitute [●]% and [●]%, respectively of the post-Offer paid-up Equity Share capital of our Company.

**A discount of up to [●]% to the Offer Price (equivalent of ₹[●] per Equity Share may be offered to Eligible Employees bidding in the Employee Reservation Portion in accordance with the SEBI ICDR Regulations and details of which will be announced at least two Working Days prior to the Bid / Offer Opening Date.*

The Offer is being made through the Book Building Process.

Particulars	Eligible Employees [#]	QIBs ⁽¹⁾	Non-Institutional Bidders	RIBs
Number of Equity Shares available for Allotment or allocation ^{*(2)}	Up to [●] [^] Equity Shares	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and RIBs	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer size available for Allotment or allocation	The Employee Reservation Portion shall constitute up to [●]% of the Offer Size	Not more than 50% of the Net Offer being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately 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 less than 15% of the Net Offer or the Offer less allocation to QIB Bidders and RIBs	Not less than 35% of the Net Offer or the Offer less allocation to QIB Bidders and Non-Institutional Bidders
Basis of Allotment 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 (net of Employee Discount). In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and	Proportionate or in any other manner as introduced under applicable laws	Proportionate, subject to minimum bid lot. The allotment to each RIBs shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity

Particulars	Eligible Employees [#]	QIBs ⁽¹⁾	Non-Institutional Bidders	RIBs
	a value exceeding ₹200,000 (net of Employee Discount), subject to total Allotment to an Eligible Employee not exceeding ₹500,000 (net of Employee Discount).	(b) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. (c) Up to 60% of the QIB Portion (of up to [●] Equity Shares) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price.		Shares if any, shall be allotted on a proportionate basis.
Mode of Bid	ASBA only (excluding the UPI Mechanism)	ASBA only (excluding the UPI Mechanism) except for Anchor Investors ⁽³⁾	ASBA only (excluding the UPI Mechanism)	ASBA only (including the UPI Mechanism)
Minimum Bid	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹200,000	[●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares, so that the maximum Bid Amount by each Eligible Employee in Eligible Employee Portion does not exceed ₹500,000, less Employee Discount, if any	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer, (excluding the non QIB portion), subject to limits applicable to each Bidder	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer (excluding the QIB Portion), subject to limits applicable to Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000
Mode of Allotment	Compulsorily in dematerialised form			
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Allotment Lot	A minimum of [●] Equity Shares and in multiples of one Equity Share thereafter			
Trading Lot	One Equity Share			
Who can apply ⁽⁴⁾	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, multilateral and bilateral development financial institutions, mutual funds registered with SEBI, FPIs other than individuals, corporate bodies and family offices, VCFs, AIFs, FVCIs, registered with SEBI, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million, National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs			

Particulars	Eligible Employees [#]	QIBs ⁽¹⁾	Non-Institutional Bidders	RIBs
	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies, family offices, trusts, FPIs who are individuals, corporate bodies and family offices.			
	Resident Indian individuals, HUFs (in the name of Karta) and Eligible NRIs applying for Equity Shares such that the Bid amount does not exceed ₹2,00,000 in value.			
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⁽⁵⁾ In case of all other Bidders: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder, or by the Sponsor Bank through 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.

[^] A discount of up to [●]% to the Offer Price (equivalent of ₹[●] per Equity Share) may be offered to Eligible Employees bidding in the Employee Reservation Portion in accordance with the SEBI ICDR Regulations and details of which will be announced at least two Working Days prior to the Bid / Offer Opening Date.

[#] Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹500,000 (net of Employee Discount). 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 (net of Employee Discount). 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 (net of Employee Discount). Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Net Offer and such Bids will not be treated as multiple Bids subject to applicable limits. Eligible Employee can also apply under Retail Portion. However, Bids by Eligible Employees 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. 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 and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Offer Price, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹100 million, (ii) 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 under the Anchor Investor Portion, subject to a minimum Allotment of ₹50 million per Anchor Investor, and (iii) 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 or part thereof will be permitted, subject to minimum allotment of ₹50 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹100 million. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors.
- (2) Subject to valid Bids being received at or above the Offer Price. This is an Offer in terms of Rule 19(2)(b) of the SCRR and Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis or in any other manner as introduced under applicable laws, to Non-Institutional Bidders and not less than 35% 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.
- (3) Anchor Investors are not permitted to use the ASBA process.
- (4) In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.
- (5) 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.

Eligible Employees bidding in the Employee Reservation Portion at a price within the Price Band can make payment based on Bid Amount, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price, at the time of making a Bid.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion, the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Promoter Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see “*Terms of the Offer*” on page 69.

Employee Discount

Employee Discount, if any, will be offered to Eligible Employees bidding in the Employee Reservation Portion, and, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion at a price within the Price Band can make payment based on Bid Amount net of Employee Discount, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price, less Employee Discount, at the time of making a Bid.

OFFER PROCEDURE

All Bidders should read 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 which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges, the Book Running Lead Managers. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer especially in relation to the process for Bids by RIBs through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

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; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (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 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 has been 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/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs (“UPI Phase III”), as may be prescribed by SEBI. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, 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 introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances, which came into force with effect from May 1, 2021, except as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021. The provisions of these circulars are deemed to form part of this Draft Red Herring Prospectus.

Our Company, the Selling Shareholders, the Book Running Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document, and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids 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 the Red Herring Prospectus.

Pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022, SEBI has proposed certain amendments, which will be implemented on the initial public offerings for which the issues will be opening on or after April 1, 2022 or such other date as may be extended by the SEBI. In the event the Bid/Offer Opening Date is on or after April 1, 2022 or any such other date as determined by the SEBI, the requisite disclosures in that regard shall be made by our Company, in the Red Herring Prospectus to be filed with the RoC.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be allocated on a proportionate basis to QIBs. Our Company and the Promoter Selling Shareholders shall, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis in accordance with the SEBI ICDR Regulations, out of which one-third shall be available for allocation to 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-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 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 less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to RIBs in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Furthermore, up to [●] Equity Shares, aggregating to ₹[●] million shall be made available for allocation on a proportionate basis only to Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received at or above the Offer Price, if any.

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 and the Promoter Selling Shareholders, 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. Further, in the event of an under-subscription in the Employee Reservation Portion, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000 (net of Employee Discount), subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion shall be added to the Net Offer. A discount of up to [●]% to the Offer Price (equivalent of ₹[●] per Equity Share) may be offered to Eligible Employees bidding in the Employee Reservation Portion in accordance with the SEBI ICDR Regulations.

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 Central Board of Direct Taxes dated February 13, 2020 read with press releases dated June 25, 2021 and September 17, 2021.

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 RIBs 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 applicable laws.

Phased implementation of unified payments interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to 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 RIBs 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 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, a 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 no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to three Working Days.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Book Running Lead Managers.

Pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 issued by SEBI, as amended by the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 (the “**UPI Streamlining Circular**”), 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 Streaming 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 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. Additionally, if there is any delay in the redressal of investors’ complaints, the relevant SCSB as well as the post-Offer BRLM will be required to compensate the concerned investor.

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 Retail Individual Bidders using the UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

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 relevant Bidding Centres, and at our Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid / Offer Opening Date.

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. Anchor Investors are not permitted to participate in the Offer through the ASBA process. The RIBs can additionally Bid through the UPI Mechanism.

ASBA Bidders (not using the UPI Mechanism) 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.

All ASBA Bidders are required to provide either, (i) bank account details and authorizations to block funds in the ASBA Form; or (ii) the UPI ID (in case of RIBs), as applicable, in the relevant space provided in the ASBA Form and the ASBA Forms that did not contain such details will be rejected. Applications made by the RIBs using third party bank account or using third party linked bank account UPI ID are liable to be rejected.

RIBs Bidding using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain the UPI ID are liable to be rejected. 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. RIBs 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 Bank, as applicable at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked.

Anchor Investors are not permitted to participate in the Issue through the ASBA process. For Anchor Investors, the Anchor Investor Application is available with the Book Running Lead Managers.

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 QIBs, Non-institutional Investors and Retail Individual Investors, each resident in India and Eligible NRIs applying on a non-repatriation basis	[●]
Non-Residents including Eligible NRIs, their sub-accounts (other than sub-accounts which are foreign corporates or foreign individuals under the QIB Portion), FPIs or FVCIs registered multilateral and bilateral development financial institutions applying on a repatriation basis	[●]
Anchor Investors	[●]
Eligible Employees Bidding in the Employee Reservation Portion	[●]

* Excluding electronic Bid cum Application Form.

** Bid cum Application Forms for Anchor Investors will be made available at the office of the Book Running Lead Managers. Electronic Bid cum Application forms will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com).

The Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Form to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank. Further, SCSBs 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. 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.

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details in the electronic bidding system of the Stock Exchanges. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms (except Bid cum Application Forms submitted by Retail Individual Bidders Bidding using the UPI Mechanism) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank(s). For Retail Individual Bidders using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis through API integration to enable the Sponsor Bank to initiate a UPI Mandate Request to such Retail Individual Bidders for blocking of funds. The Sponsor Bank 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. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIBs (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank, NPCI or the issuer bank) 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 Bank and the issuer bank. The Sponsor Bank and the Bankers to the Offer shall provide the audit trail to the BRLMs for analysing the same and fixing liability. 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.

For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/Issue Closing Date (“**Cut-Off Time**”). Accordingly, RIBs Bidding using through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

For RIBs using UPI mechanism, the Stock Exchanges shall share the bid details (including UPI ID) with Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. The Sponsor Bank 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. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIBs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the Bankers to the Offer) 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 the Offer. The Book Running Lead Managers shall also be required to obtain the audit trail from the Sponsor Banks and the Bankers to the Offer for analysing the same and fixing liability.

The Equity Shares offered in the Offer 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 only being offered and sold (i) within the United States only to “qualified institutional buyers” (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as “**U.S. QIBs**”) in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in “offshore transactions” as defined in, and in reliance on, Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”.

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.

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.
- b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next Working Day following 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 Book Running Lead Managers 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 Book Running Lead Managers 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 is on a proportionate basis or in any other manner as introduced under applicable laws, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the Book Running Lead Managers and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the Book Running Lead Managers nor any associate of the Book Running Lead Managers can apply in the Offer under the Anchor Investor Portion:

- (i) mutual funds sponsored by entities which are associate of the Book Running Lead Managers;
- (ii) insurance companies promoted by entities which are associate of the Book Running Lead Managers;
- (iii) AIFs sponsored by the entities which are associate of the Book Running Lead Managers; or
- (iv) FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the Book Running Lead Managers.

Further, the Promoters and members of the Promoter Group shall not participate by applying for Equity Shares in the Offer. Further, persons related to the Promoters and Promoter Group shall not apply in the Offer under the Anchor Investor Portion. However, a qualified institutional buyer who has any of the following rights in relation to the Company shall be deemed to be a person related to the Promoters or Promoter Group of our Company:

- (i) rights under a Shareholders agreement or voting agreement entered into with the Promoters or Promoter Group of our Company;
- (ii) veto rights; or
- (iii) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an “associate of the Book Running Lead Managers ” if:

- (i) 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
- (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or
- (iii) there is a common director, excluding nominee director, amongst the Anchor Investors, the Book Running Lead Managers.

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 and the Promoter Selling Shareholders, 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 funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible Non-Resident Indians

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).

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorise

their respective SCSB 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 authorise their respective SCSB 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. Eligible NRIs applying on a non-repatriation basis in the Offer through the UPI Mechanism are advised to enquire with their relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

For details of restrictions on investment by NRIs, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 499.

Participation of Eligible NRIs in the Offer shall be subject to the FEMA Rules.

Bids by HUFs

Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Bidder/applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals.

Bids by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly or indirectly, having common ownership of more than 50% or common control)) shall be below 10% of our post-Offer Equity Share capital on a fully diluted basis. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group 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. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (*i.e.*, up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

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 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).

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.

As specified in 4.1.4.2 (b)(i) and 4.1.4.2 (c)(iv) of 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.

With effect from the April 1, 2020, the aggregate limit shall be the sectoral caps applicable to the Indian company as prescribed in the FEMA Rules with respect to its paid-up equity capital on a fully diluted basis. While the aggregate limit as provided above could have been decreased by the concerned Indian companies to a lower threshold limit of 24% or 49% or 74% as deemed fit, with the approval of its board of directors and its Shareholders through a resolution and a special resolution, respectively before March 31, 2020, our Company has not decreased such limit and accordingly the applicable limit with respect to our Company is 100%.

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.

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 22(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 Rules.

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 funds 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 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 and the Promoter Selling Shareholders, 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, *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, subject to FEMA Rules, VCFs and FVCIs can invest only up to 33.33% of their 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 one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. 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, 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 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 and the Promoter Selling Shareholders 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 the RBI, certified copies of (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholders, 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 investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended, (the "**Banking Regulation Act**"), and the Master Directions - 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 bank's own paid-up share capital and reserves, whichever is lower. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial services company cannot exceed 20% of the investee company'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 if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in excess of 30% of the paid-up share capital of the investee company, (ii) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (iii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the 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 and the Promoter Selling Shareholders 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 and the Promoter Selling Shareholders 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 and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers, reserves 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 (net of Employee Discount). However, the initial allocation to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000 (net of Employee Discount). Allotment in the Employee Reservation Portion will be as detailed in the section “*Offer Structure*” on page 475.

However, Allotments to Eligible Employees in excess of ₹200,000 (net of Employee Discount) 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 (net of Employee Discount). 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, net of Employee Discount, , if any, 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 ₹500,000 (net of Employee Discount).

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 (net of Employee Discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000 (net of Employee Discount).

If the aggregate demand in this portion is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, see “Offer Procedure” on page 479.

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 and the Promoter Selling Shareholders, in consultation with the 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) 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 associate of the Book Running Lead Managers or insurance companies promoted by entities which are associate 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 associate 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, 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.

General Instructions

Please note that QIBs and Non-Institutional Bidders are not permitted 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. RIBs can revise their Bid(s) during the Bid/Offer Period and withdraw or lower the size of their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid/Offer Period.

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;
2. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
3. Ensure that you have Bid within the Price Band;
4. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
5. Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not an RIB bidding using the UPI Mechanism in the Bid cum Application Form and if you are an RIB 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;
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 General Information Document;
7. RIBs Bidding in the Offer shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID (only for RIBs using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party
8. Retail Individual Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and/or the designated branches of SCSBs;
9. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;

10. Ensure that the signature of the first Bidder in case of joint Bids, is included in the Bid cum Application Forms. If the first Bidder is not the ASBA Account holder, ensure that the Bid cum Application Form is also signed by the ASBA Account holder;
11. Ensure that the names given in the Bid cum Application Form is/are exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
12. Ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil or acknowledgment specifying the application number as a proof of having accepted the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
13. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
14. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008 issued by SEBI, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of the circular dated July 20, 2006 issued by SEBI, may be exempted from specifying their PAN for transacting in the securities market, and (iii) persons/entities exempt from holding a PAN under applicable law, 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 beneficial 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;
15. 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;
16. 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;
17. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents including a copy of the power of attorney, if applicable, are submitted;
18. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;
19. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.
20. 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;
21. Since the Allotment will be in dematerialised form only, ensure that the depository account is active, the correct DP ID, Client ID, UPI ID (for RIBs bidding through UPI mechanism) and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, UPI ID (for RIBs bidding through UPI mechanism) and the PAN 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, UPI ID (for RIBs bidding through UPI mechanism) and PAN available in the Depository database;
22. In case of QIBs and NIIs, ensure that while Bidding through a Designated Intermediary, the ASBA Form 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 <http://www.sebi.gov.in>);

23. 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 the Sponsor Bank, 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 at the time of submission of the Bid. In case of RIBs 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 Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
24. Ensure that the Demographic Details are updated, true and correct in all respects;
25. The ASBA Bidders shall use only their own bank account or only their own bank account linked UPI ID for the purposes of making Application in the Offer, which is UPI 2.0 certified by NPCI;
26. Bidders (except RIBs Bidding through the UPI Mechanism) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of RIBs, once the Sponsor Bank issues the Mandate Request, the RIBs would be required to proceed to authorize the blocking of funds by confirming or accepting the UPI Mandate Request to authorize the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;
27. Bidding through UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a RIB Bidding through UPI Mechanism shall be deemed to have verified the attachment containing the application details of the RIB Bidding through UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank issue a request to block the Bid Amount specified in the Bid cum Application Form in his/her ASBA Account;
28. RIBs bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the first Bidder (in case of joint account) in the Bid cum Application Form;
29. RIBs using the UPI Mechanism who have revised their Bids subsequent to making the initial Bid should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorize blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner;
30. Bids by Eligible NRIs for a Bid Amount of less than ₹200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹200,000 would be considered under the Non-Institutional Category for allocation in the Offer;
31. RIBs 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. RIBs 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; and
32. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date.

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 Lot;
2. Do not submit a Bid using UPI ID, if you are not a RIB;

3. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by RIBs) and ₹500,000 (net of Employee Discount) for Bids by Eligible Employees Bidding in the Employee Reservation Portion;
4. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;
5. Do not Bid/ revise the Bid amount to less than the Floor Price or higher than the Cap Price;
6. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
7. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
8. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
9. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
10. Do not submit the Bid for an amount more than funds available in your ASBA account;
11. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
12. 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;
13. 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);
14. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
15. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;
16. In case of ASBA Bidders (other than RIBs using UPI mechanism), do not submit more than one Bid cum Application Form per ASBA Account;
17. Do not make the Bid cum Application Form using third party bank account or using third party linked bank account UPI ID;
18. Anchor Investors should not bid through the ASBA process;
19. Do not submit the Bid cum Application Form to any non-SCSB bank or our Company;
20. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
21. Do not submit the GIR number instead of the PAN;
22. Anchor Investors should submit Anchor Investor Application Form only to the Book Running Lead Managers;
23. Do not Bid on a Bid cum Application Form that does not have the stamp of a Designated Intermediary;
24. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid / Offer Closing Date;
25. 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. Retail Individual Bidders or Eligible Employees bidding in the Employee Reservation Portion can revise or withdraw their Bids on or before the Bid/Offer Closing Date;

26. Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centres. If you are RIB and are using UPI mechanism, do not submit the ASBA Form directly with SCSBs;
27. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
28. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID details if you are a RIB Bidding through the UPI Mechanism. Further, do not provide details for a beneficiary account which is suspended or for which details cannot be verified to the Registrar to the Offer;
29. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA account;
30. 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 RIBs using the UPI Mechanism;
31. Do not Bid if you are an OCB;
32. RIBs Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a banks which is not mentioned in the list provided in the SEBI website is liable to be rejected; and
33. Do not submit more than one Bid cum Application Form for each UPI ID in case of RIBs Bidding using the UPI Mechanism.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Grounds for Technical Rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders are requested to note that Bids maybe rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by RIBs using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by RIBs using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
9. ASBA Form by the RIBs by using third party bank accounts or using third party linked bank account UPI IDs;
10. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
11. GIR number furnished instead of PAN;
12. Bids by RIBs with Bid Amount of a value of more than ₹200,000 (net of Retail Discount);

13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
14. Bids accompanied by stock invest, money order, postal order or cash; and
15. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges. On the Bid/Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Investors, after taking into account the total number of Bids received up to closure of timings for acceptance of Bid-cum-Application Forms as stated herein and as informed to the Stock Exchanges.

Further, in case of any pre-issue or post issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance officer. For details of the Company Secretary and Compliance officer, see “*General Information*” on page 50.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four 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 four 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.

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 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 offer document.

The allotment of Equity Shares to applicants other than to the RIBs 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 each RIB shall not be less than the minimum bid lot, subject to the availability of shares in RIB category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Anchor Investor Escrow Accounts

Our Company and the Promoter Selling Shareholders, 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 Collection Bank 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 English national daily newspaper, [●], all editions of Hindi national daily newspaper, [●] and [●] editions of the Marathi daily newspaper [●] (Marathi being the regional language of Maharashtra, 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 English national daily newspaper, [●], all editions of Hindi national daily newspaper, [●] and Mumbai editions of the Marathi daily newspaper [●] (Marathi being the regional language of Maharashtra, 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, 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.
- (b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which would then be termed as the Prospectus. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, the Offer size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

“Any person who:

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or***
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or***
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,***

shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹1 million or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years 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:

- 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 are taken within six Working Days of the Bid/Offer Closing Date or within such other time period prescribed by SEBI will be taken;
- the funds required for making refunds/unblocking (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 six 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;
- the Promoter's contribution, if any, shall be brought in advance before the Bid/Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees, in accordance with the applicable provisions of the SEBI ICDR Regulations;
- 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;
- 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;
- 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 refunded/unblocked in the relevant ASBA Accounts on account of non-listing, under-subscription, etc.; and
- adequate arrangements shall be made to collect all Bid cum Application Forms from Bidders.

Undertakings by the Selling Shareholders

Each Selling Shareholder undertakes, severally and not jointly, in relation to themselves and their respective portion of the Offered Shares that:

- his/her respective portion of the Offered Shares have been held by it for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus with SEBI, such period determined in accordance with Regulation 8 of the SEBI ICDR Regulations;
- he/she is the legal and beneficial owner of the Offered Shares, and that such Offered Shares shall be transferred in the Offer, free from liens, charges and encumbrances;
- he/she shall deposit the Equity Shares offered by it in the Offer in an escrow account opened with the Share Escrow Agent prior to the filing of the Red Herring Prospectus with the RoC;
- he/she shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer; and

- he/she shall not have recourse to the proceeds of the Offer for Sale until final approval for trading of the Equity Shares from the Stock Exchanges has been received.

The statements and undertakings provided above, in relation to the Selling Shareholders, are statements which are specifically confirmed or undertaken, severally and not jointly, by each Selling Shareholder in relation to themselves and their respective portion of the Offered Shares. All other statements or undertakings or both in this Draft Red Herring Prospectus in relation to the Selling Shareholders, shall be statements made by our Company, even if the same relate to the Selling Shareholders.

Utilisation of Offer proceeds

The Selling Shareholders, severally and not jointly, and together with our Company declare that all monies received out of the Offer 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.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Consolidated FDI Policy and FEMA. The government bodies responsible for granting foreign investment approvals are the concerned ministries or departments of the Government of India and the RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT, issued the FDI Policy by way of circular bearing number DPIIT File Number 5(2)/2020-FDI Policy dated October 15, 2020 (“**FDI Policy**”), which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DPIIT issues an updated circular. Up to 100% foreign investment under the automatic route is currently permitted in “Pharmaceuticals” (Greenfield), subject to conditions specified in the FDI Policy.

On October 17, 2019, Ministry of Finance, Department of Economic Affairs, had notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Offer shall be on the basis of the FEMA Rules. 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, will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA 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. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 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 or fund in India.

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 FDI Policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

As per the existing policy of the Government, OCBs cannot participate in the Offer.

The Equity Shares offered in the Offer 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 only being offered and sold (i) within the United States only to “qualified institutional buyers” (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in “offshore transactions” as defined in, and in reliance on, Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”.

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.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders, 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 under laws or regulations.

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meanings that have been given to such terms in the Articles of Association of our Company. The main provisions of the Articles of Association of our Company are detailed below.

The Articles of Association of the Company comprise two parts, Part A and Part B. Until the listing and commencement of trading of equity shares of the Company on a recognized stock exchange pursuant to the initial public offering of the equity shares of the Company (“**Offer**”), provisions of Part B shall be applicable. However, on and from the date of listing and commencement of trading of the equity shares of the Company on the stock exchange(s) in India pursuant to the Offer, Part B shall automatically stand terminated, not have any force and be deemed to be removed from the Articles of Association and the provisions of Part A shall come into effect and be in force, without any further corporate or other action by the Company or its shareholders, unless specified otherwise in these Articles.

This set of Articles of Association has been approved pursuant to the provisions of Section 14 of the Companies Act, 2013 and by a special resolution passed at the Extraordinary General Meeting of the Macleods Pharmaceuticals Limited (the “**Company**”) held on February 9, 2022.

These Articles have been adopted as the Articles of Association of the Company in substitution for and to the exclusion of all existing Articles thereof.

PART A OF THE ARTICLES OF ASSOCIATION

Article 2 provides that:

2. In these Articles —

- a. “**Act**” means the Companies Act, 1956 (to the extent that such enactment is in force) and the Companies Act, 2013 (to the extent notified) and the rules and regulations prescribed thereunder, as now enacted or as amended from time to time and shall include any statutory replacement or re-enactment thereof 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 a General Meeting of the Members held in accordance with the provisions of Section 96 of the Act and any adjourned holding thereof.
- c. “**Auditors**” means independent, external statutory auditors of the Company and shall include those persons appointed under the provisions of the ‘Act’ or any other applicable provisions for the time being in force.
- d. “**Beneficial Owner**” means a person whose name is recorded as such with a Depository.
- e. “**BLB Family Shareholders**” means Mr. Banwarilal Bawri, Mrs. Sudha Bawri, Mr. Prateek Agarwal and Ms. Anushree Agarwal.
- f. “**Board**” means the duly constituted Board of Directors of the Company at the relevant time.
- g. “**Capital**” means the Share capital for the time being raised or authorised to be raised, for the purpose of the Company.
- h. “**Chairman**” means the Chairman of the Board of Directors of the Company.
- i. “**Company**” or “**this Company**” shall mean “**MACLEODS PHARMACEUTICALS LIMITED**”.
- j. “**Debenture**” includes Debenture-stock.
- k. “**Depositories Act**” means the Depositories Act, 1996, including any statutory modifications or re-enactment thereof for the time being in force.

- l. **“Depository”** means a depository as defined in clause (e) of sub-Section (1) of Section 2 of the Depositories Act, 1996.
- m. **“Directors”** mean the Directors for the time being of the Company or as the case may be the Directors assembled at a Board Meeting, appointed in accordance with these Articles and the provisions of the Act.
- n. **“Dividend”** includes interim dividend and final dividend.
- o. **“DRA Family Shareholders”** means Dr. Rajendra Agarwal, Mrs. Anju Agarwal, Dr. Ruchi Agarwal and Ms. Gauri Agarwal
- p. **“Equity Shares”** of **“Equity Share”** means an equity share of the Company of face value of Re. 1/- (Rupee One) each.
- q. **“Extraordinary General Meeting”** means an extraordinary General Meeting of the Members convened and held in accordance with the Act including any adjourned holding thereof.
- r. **“GLB Family Shareholders”** means Mr. Girdharilal Bawri, Mrs. Taradevi Bawri, Mr. Vijay Agarwal, Mr. Ajay Agarwal and Mrs. Shalini Kedia
- s. **“INR”** or **“Rupees”** or **“Rs.”** shall mean Indian rupees, being the lawful currency of India.
- t. **“Key Managerial Personal”** means an individual as defined under Section 2(51) of the Act such other officer, not more than one level below the Directors who is in whole-time employment, designated as key managerial personnel by the Board and such other officer as maybe prescribed and declared by the Company to be a Key Managerial Personnel.
- u. **“Manager”** means an individual as defined under Section 2(53) of the Act.
- v. **“Managing Director or Joint Managing Director”** means an individual as defined under Section 2(54) of the Act.
- w. **“Member”** means a Member of the Company within the meaning of Clause (55) of Section 2 of the Act, as amended from time to time, and who are the duly registered holders, from time to time of the shares of the Company and includes the subscribers to the Memorandum of the Company and the beneficial owner(s) as defined in clause (a) of sub-Section (1) of Section 2 of the Depositories Act, 1996.
- x. **“Meeting”** or **“General Meeting”** means any duly convened meeting of the shareholders of the Company and any adjournments thereof;
- y. **“Non-retiring Director”** means a director not subject to retirement by rotation includes an Independent Director appointed pursuant to the provisions of Section 149(4) of the Act.
- z. **“Office”** means the registered office of the Company.
- aa. **“Paid up”** includes capital credited as paid up.
- bb. **“Person”** means any natural person, trust, firm, Company, governmental authority, joint venture, partnership, association, society or any other entity (whether or not having a separate legal personality).
- cc. **“Register of Members”** means the Register of Members to be kept pursuant to Section 88 of the Act.
- dd. **“The Registrar”** means the Registrar of Companies of the State in which the office of the Company is for the time being situated.
- ee. **“Record”** includes the records maintained in the form of books or stored in Computer or in such other form as may be determined by regulations made by SEBI in relation to the Depositories Act, 1996.
- ff. **“Seal”** means the Common Seal of the Company.
- gg. **“Securities”** shall mean shares in the Share Capital, whether equity or preference, and shall include other securities and instruments convertible into Equity Shares.

- hh. **“Share”** means a share in the share capital of the Company and includes stock except where a distinction between stock and shares is expressed or implied.
 - ii. **“Share Capital”** shall mean the total issued and paid-up share capital of the Company.
 - jj. **“SEBI”** means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992.
 - kk. **“Transfer”** includes any sale, exchange, assignment, gift, bequest, disposition, mortgage, charge, pledge, encumbrance, grant of security interest or other arrangement by which possession, legal title or beneficial ownership passes from one person to another, or to the same person in a different capacity, whether or not voluntary and whether or not for value, and any agreement to effect any of the foregoing, and **“transferred”**, **“transferring”**, **“transferor”**, **“transferee”** and similar words have corresponding meanings.
 - ll. **“Ordinary Resolution”** and **“Special Resolution”** shall have the meanings assigned thereto by Section 114 of the Act.
 - mm. **“Year”** means the calendar year and **“Financial Year”** shall have the meaning assigned thereto by Section 2 (41) of the Act.
- 2.1. Unless the context otherwise requires, words or expressions contained in these articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these articles become binding on the Company.
 - 2.2. The terms “writing” or “written” include printing, typewriting, lithography, photography and any other mode or modes (including electronic mode) of representing or reproducing words in a legible and non-transitory form permitted under Law.
 - 2.3. The headings hereto shall not affect the construction hereof.
 - 2.4. Notwithstanding anything contained in these Articles, any reference to a “person” in these Articles shall, unless the context otherwise requires, be construed to include a reference to a body corporate or an association, any individual, company, partnership, joint venture, firm, trust or body of individuals (whether incorporated or not).
 - 2.5. Any reference to a particular statute or provisions of the statute shall be construed to include reference to any rules, regulations or other subordinate legislation made under the statute and shall, unless the context otherwise requires, include any statutory amendment, modification or re-enactment thereof.
 - 2.6. Any reference to an agreement or other document shall be construed to mean a reference to the agreement or other document, as amended or novated from time to time.
 - 2.7. Words importing the singular number includes where the context admits or requires, the plural number and vice versa.

SHARE CAPITAL AND VARIATION OF RIGHTS

Article 3 provides that

- 3. (a) The Authorised Share Capital of the Company shall be as per Clause V of the Memorandum of Association of the Company with rights to alter the same in whatever way as deemed fit by the Company. The company may increase or decrease the Authorised Share Capital in accordance with Company's articles and legislative provisions for the time being in that behalf.
- (b) Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of the Act) and at such time as they may from time to time think fit, and with the approval of the Company in a General Meeting to give to any person

or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Board deems fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold or transferred or for any services rendered by the Company in the conduct of its business and any shares which may so be allotted may be issue as fully paid 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 approval of the Company in the General Meeting.

- (c) The Company may, subject to the provisions of Section 55 of the said Act, issue preference shares 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. Where the Company has issued redeemable preference shares the provisions of the said section shall be complied with.
- (d) If at any time share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of the 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-fourth 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.
- (e) To every such separate meeting, the provision of these articles relating to general meeting shall apply.

Article 4 provides that:

- 4. Subject to the provisions of Section 40(6) of the Act, the Company may, at any time, pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any securities in the Company, or procuring, or agreeing to procure subscriptions (whether absolute or conditional) for any securities in the Company, but so that the commission shall not exceed, in the case of shares, five per cent of the price at which the shares are issued and in the case of debentures and other securities, two and a half per cent of the price at which the debentures are issued, or such higher rate or rates as may be permissible under any statutory provision for the time being in force. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid securities or partly in one way and partly in the other. The Company may also pay such brokerage as may be lawful.

Article 5 provides that:

- 5. Except as provided by the Act, the Company shall not, except by reduction of capital under the provision of Sections 66 or Section 242 of the said Act, buy its own shares nor give, whether directly or indirectly, and whether by means of a loan, guarantee, provision of security or otherwise any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company or in its holding company.

Article 6 provides that:

- 6. Provided that nothing in this Article shall be taken to prohibit:
 - a. the provision of money in accordance with any scheme approved by the Company through Special Resolution and in accordance with the requirements specified in the relevant Rules, for the purchase of, or subscription for, fully paid up Shares in the Company, if the purchase of, or the subscription for the Shares held by trustees for the benefit of the employees or such Shares held by the employee of the Company;
 - b. the giving of loans by the Company to persons in the employment of the Company other than its Directors or Key Managerial Personnel, for an amount not exceeding their salary or wages for a period of six months with a view to enabling them to purchase or subscribe for fully paid up Shares in the Company to be held by them by way of beneficial ownership. Nothing in this clause shall affect the right of the Company to redeem any shares issued under Section 55 of the Act.

Article 7 provides that:

- 7. Except as required by law, no person shall be recognized by the Company as holding any shares upon any trust, and the Company shall not be bound by, or be compelled in any way to recognize (even when having

notice thereof), any equitable, contingent, future or partial interest in any shares, or any interest in any fractional part of a share or (except only as by these article or by law otherwise provided) any other rights in respect of any share except an absolute rights to the entirety thereof in the register of shareholders.

Article 8 provides that

8. (a) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month after the application for the registration to transfer (or within such other period as the conditions of the issue shall provide):
 - a. one certificate for all his share without payment of any charges;
 - b. or several certificates, each for one or more of his shares, upon payment of such sum as may be determined by the Board from time to time.
- (b) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
- (c) In respect of 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.

Article 9 provides that:

9. (a) Notwithstanding anything contained herein, the Company shall be entitled to dematerialise its shares, debentures and other securities pursuant to the Depositories Act, 1996 and to offer its shares, debentures and other securities for subscription in a dematerialised form.

Notwithstanding anything contained in these articles, and subject to the provisions of the law for the time being in force, the Company shall on a request made by a beneficial owner, re-materialize the shares, which are in dematerialized form.

- (b) Notwithstanding anything contained herein, the Company shall be entitled to treat the person whose names appear in the register of members as a holder of any share or whose names appear as beneficial owners of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or as required by law) be bound to recognise any benami trust or equity or equitable contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.
- (c) Notwithstanding anything contained herein, in the case of transfer of shares or other marketable securities where the Company has not issued any Certificates and where such shares or other marketable securities are being held in an electronic and fungible form, the provisions of the Depositories Act, 1996 shall apply. Further, the provisions relating to progressive numbering shall not apply to the shares of the Company which have been dematerialised.

ISSUE OF NEW CERTIFICATE IN PLACE OF ONE DEFACED, LOST OR DESTROYED

Article 10 provides that:

10. (a) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate. 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 not 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 the rules made under any other act or rules applicable in this behalf.

- (b) The provisions of the Article shall mutatis mutandis apply to debentures of the Company.

TERMS OF ISSUE OF DEBENTURES

Article 11 provides that:

11. 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 and attending (but not voting) at General Meetings, 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 General Meeting accorded by way of a Special Resolution.

LIEN

Article 12 provides that:

12. (a) The Company shall have a first and paramount lien:
- (i) on every share/ debenture (not being a fully paid up share/ debenture, for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share/ debentures; and
 - (ii) on all shares/ debentures (not being fully paid up shares/ debentures) standing registered in the name of the single person, for all moneys presently payable by him or his estate to the Company.

Provided that the Board of Directors may at any time declare any share/ debentures to be wholly or in part exempt from the provision of this Article.

- (b) The Company's lien, if any, on a share/debenture shall extend to all dividends payable and bonuses declared from time to time in respect of such shares/ debentures.
- (c) Fully paid shares/ debentures shall be free from all lien and in the case of partly paid shares, the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares/ debentures.

Article 13 provides that:

13. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien, provided that no sale shall be made:

unless a sum in respect of which the lien exists is presently payable, or

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.

Article 14 provides that:

14. (a) To give effect to any such sale, the Board may authorize any person to transfer the shares sold to the purchaser thereof.
- (b) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (c) 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 irregularity or invalidity in the proceedings in the reference to the sale.

Article 15 provides that:

15. (a) 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.

(b) 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.

CALL ON SHARES

Article 16 provides that:

16. (a) The Board may, from time to time, make calls upon the members in respect of any moneys 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.

(b) 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 time or times and place so specified, the amount called on his shares.

A call may be revoked or postponed at the discretion of the Board.

TRANSFER OF SHARES

Article 23 provides that:

17. The Company shall transfer securities only in a dematerialized form in accordance with the provisions of the Act.

Article 24 to 26 provide that:

18. The Company shall use a common form of transfer. The instrument of transfer shall be in writing and all provisions of the Act and of any statutory modification thereof for the time being shall be duly complied within respect of all transfer of shares and the registration thereof.

The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.

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.

The Company, the transferor and the transferee of the Securities shall comply with the requirements under the applicable laws.

Article 27 to 32 provide that:

- (a) The Board may, subject to the right of appeal conferred by Section 58 of the Act, decline to register:
- (b) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- (c) any transfer of shares on which the Company has a lien.
19. The Board may also decline to recognize 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 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.

20. Subject to the provision of Section 91 of the Act, 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 aggregated in any year.

Provided further that the registration of 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.

21. Transfer of Shares/debentures in whatever lot shall not be refused.
22. There shall be no fee paid to the Company, in respect of the transfer or transmission of any number of shares, registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.
23. On giving not less than 7 (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 30 (thirty) days at any one time or for more than 45 (forty-five) days in the aggregate in any year.

TRANSMISSION OF SHARES

Article 33 provides that:

24. (a) On the death of a member, the survivor or survivors where the member was a joint holder, and 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.
- (b) Nothing in Article 33(a) shall release the estate of a deceased joint holder from liability in respect of any share which had been jointly held by him with other persons.

Article 34 provides that:

25. (a) Any person becoming entitled to a share in consequence of the death or insolvency of any 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:
- (i) to be registered himself as holder of shares: or
- (ii) to make such transfer of the share as the deceased or insolvent member could have made.
- (b) 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.

FORFEITURE OF SHARES

Article 37 provides that:

26. If a member fails to pay any call, or instalment 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 instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

Article 38 provides that:

The notice aforesaid shall:

26.1. 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

26.2. state that, the event of non-payment on or before the day so named, the shares in respect of which the call was made will be liable to be forfeited.

Article 39 provides that:

27. If the requirements of any such notices 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 the resolution of the Board to that effect.

Article 44 provides that:

28. Where a dividend has been declared by the Company but has not been paid or claimed within thirty days from the date of the declaration to any shareholder entitled to the payment of the dividend, the Company shall, within 7 (seven) days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the Company in that behalf in any scheduled bank to be called the ("**Unpaid Dividend Account**").

Article 45 provides that:

29. Any money transferred to the "Unpaid Dividend Account" of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer shall be transferred by the Company along with interest accrued, if any, thereon to the Investor Education and Protection Fund established under sub-section (1) of Section 125 of the Act.

Article 46 provides that:

30. No unclaimed or unpaid dividend shall be forfeited by the Board before it becomes barred by law.

CONVERSION OF SHARES INTO STOCK

Article 48 provides that:

31. The Company may, by ordinary resolution:

31.1. convert any paid-up shares into stock; and

31.2. reconvert any stock into paid-up shares of any denomination

PROCEEDINGS AT GENERAL MEETING

Article 59 provides that:

32. The Company shall, in addition to any other meetings hold a General Meeting which shall be called as its Annual General Meeting, at the intervals and in accordance with the provisions of the Act. All general meetings including annual general meetings shall be convened by giving at least twenty-one days notice to shareholders. However, with the consent of all the members entitled to vote, at an Annual General Meeting or with the consent of the members holding 95 percent of such part of the paid-up share capital of the Company as gives a right to vote thereat, any general meeting may be convened by giving a shorter notice than twenty one days.

Article 60 provides that:

33. The Board may, whenever it thinks fit, call an Extra ordinary General Meeting and it shall do so upon a requisition in writing by any Member or Members holding in the aggregate not less than one-tenth of such of the paid-up capital as at that date carries the right of voting in regard to the matter in respect of which the requisition has been made.

Article 61 provides that:

34. No business shall be transacted at any general meeting unless a quorum of members is present as provided in Section 103 of the Act.

Article 62 provides that:

35. The Chairman, if any, of the Board shall preside as Chairman at every general meeting of the Company. If there is no such Chairman, or he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as Chairman of the meeting, the Directors present shall elect one of their members to be the Chairman of the meeting. If at any meeting no Director is willing to act as Chairman or if no Director is present within fifteen minutes the time appointed for holding the meeting, the members present shall choose one of their members to be the Chairman of the meeting.

VOTES OF MEMBERS

Article 65 provides that:

36. Subject to any rights or restrictions for the time being attached to any classes of shares:
 - 36.1. on a show of hands, every member present in person shall have one vote; and
 - 36.2. on a poll, voting rights of members shall be as laid down in Section 47 of the Act.
 - 36.3. A member may exercise his vote at a meeting by electronic means in accordance with the Section 108 of the Act and shall vote only once.

Article 66 provides that:

37. In case of joint holders, the vote of the senior who tenders the vote, whether in a person or by proxy, shall be accepted to the exclusion of votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

Article 67 provides that:

38. 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.

Article 68 provides that:

39. 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.

Article 69 provides that:

- 39.1. 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.
- 39.2. Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.

Article 70 provides that:

40. The instrument appointing proxy and the power of attorney or other authority, if any under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the registered office of the Company not later than 48 hours the time for holding the meeting at which the person named in the instrument proposes to vote and in the default the instrument of proxy shall not be treated as valid.

Article 71 provides that:

41. An instrument appointing proxy shall be in either of the forms in the Act or a form as near thereto as circumstances admit.

Article 72 provides that:

42. 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 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 limitation 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 at which the proxy is used.

BOARD OF DIRECTORS

Article 73 provides that:

43. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act and the clauses specified hereunder, the number of Directors shall not be less than three and not be more than fifteen.

44. The following persons are the First Directors of the Company.

Dr. Rajendra Agarwal

Mr. Banwarilal Bawri

Article 75 to 98 provide that:

45. A Director may receive remuneration by way of fee not exceeding such amount as may be permissible under the provisions of the Act and the rules made thereunder for attending each Meeting of the Board or Committee thereof; or any other purpose whatsoever as may be decided by the Board. The Directors may also be paid their travelling, lodging and boarding expenses and such further remuneration (if any) as may be decided by the Board from time to time.
46. The Company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register, and the Board may (subject to the provisions of that (section) make and vary such articles as it may think fit respecting the keeping of such register.
47. 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 or its Committee shall from time to time by resolution determine.
48. 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.
49. The Directors need not hold any qualification Shares.
50. The office of a director shall become vacant in case-

50.1. he incurs any of the disqualifications specified in section 164;

50.2. he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;

50.3. he acts in contravention of the provisions of section 184 relating to entering into contracts or arrangements in which he is directly or indirectly interested;

50.4. he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of section 184;

50.5. he becomes disqualified by an order of a court or the Tribunal;

50.6. he is convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months:

Provided that the office shall be vacated by the director even if he has filed an appeal against the order of such court;

(1) he is removed in pursuance of the provisions of this Act;

(2) he, having been appointed a director by virtue of his holding any office or other employment in the holding, subsidiary or associate company, ceases to hold such office or other employment in that company.

51. The Directors shall have power at any time and from time to time, to appoint any person other than a person who fails to get appointed as a director in a general meeting, as an additional director at any time. Each such Additional Director shall hold office only up to the date of the next following Annual General Meeting, or the last date on which the annual general meeting should have been held, whichever is earlier, but shall be eligible for appointment by the Company at that meeting as a Director.
52. The Directors may elect one of them to the office of the Chairman/ chairperson of the Board of Directors and determine the period for which he/she is to hold office.
53. At every Annual General Meeting of the Company, one third of such of the Directors, for the time being, as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office. The Independent, Nominee, Special and Debenture Directors, if any, shall not be subject to retirement under this clause and shall not be taken into account in determining the rotation of retirement or the number of directors to retire, subject to Section 152 and other applicable provisions if any, of the Act.
54. Subject to Section 152 of the Act, the directors, liable to retire by rotation, at every annual general meeting, shall be those, who have been longest in office since their last appointment, but as between the persons, who became Directors on the same day, and those who are liable to retire by rotation, shall, in default of and subject to any agreement among themselves, be determined by lot.
55. At the annual General Meeting at which a director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring director or some other person thereto in accordance with the provisions of the Act.
56. If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled by the Board of Directors at the meeting of the Board in accordance with the provisions of the Act.
57. Such appointment shall be subsequently approved by members in the immediate next general meeting and such director shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated.
58. A Director of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 184 of the Act.
59. The Company may enter into any contract or arrangement with a related party to the extent and subject to the provisions contained in Section 188 of the Act and the rules made thereunder.
60. Subject to the provision of the Act, and notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to a financing company or body or a financing corporation or credit corporation or a bank or any insurance corporation (each such financing company or

body of financing corporation or credit corporation or any insurance corporation is herein after referred to as “Financial Institution”) out of any loans granted by the Financial Institution to the Company or so long as the Financial Institution holds shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the financial institution on behalf of the Company remains outstanding the financing institution shall have a right to appoint from time to time, its nominee/s as a director or directors (which director or directors is/are hereinafter referred to as “Nominee Director/s”) on the Board of the Company and to remove from such office the Nominee Director/s so appointed, and the time of removal and also in the case of death or resignation of the Nominee Director/s appointed at any time appoint any other person/persons in his/her place and also fill any vacancy which may occur as a result of such director/ceasing to hold office for any reasons whatsoever; such appointment or removal shall be made in writing on behalf of the Financial Institution appointing such nominee Director/s and shall be delivered to the Company at its Registered Office.

61. The Nominee Director/s shall not be required to hold any qualification shares in the Company to qualify him/them for the office of a director/s nor shall he/they be liable to retirement by rotation. The Board of Directors of the Company shall have no power to remove from the office the Nominee Director/s appointed, subject to the aforesaid, the said nominee directors/s shall be entitled to the same rights and privileges and to subject to the same obligations as any director of the Company.
62. The Nominee Director/s so appointed shall hold the office only so long as any moneys remain owing by the Company to the Financial Institution or so long as Financial Institution holds debentures in the Company as a result of subscription or private placement or so long as the Financial Institution holds shares in the Company as a result of undertaking or direct subscription or the liability of the Company arising out of any guarantee, is outstanding and the Nominee Director/s so appointed in exercise of the said powers shall vacate such office, immediately the moneys owing by the Company to the Financial Institution is paid off or on the Financial Institution ceasing to hold debenture/shares in the Company or on the satisfaction of the liability of the Company arising out of any guarantee furnished by the Financial Institution.
63. The Nominee Director/s appointed under this Article shall be entitled all notice and attend all general meetings and Board meeting and meeting of the committee of which the Nominee Director/s is/are member/s as also the minutes of such meeting. The Financial institution shall also be entitled to receive all such notice and minutes.
64. The Nominee Director/s shall notwithstanding anything to the contrary contained in these Articles, be at liberty to disclose any information obtained him/them to the Financial Institution appointing him/them as such Director/s.
65. Subject to the provisions of the Act, clause 99 hereof and of these Articles, the Board of Directors may from time to time appoint one or more person/s to be Managing Director or Managing Directors (in which expression shall be included a Joint Managing Director) or Whole-time Director or Whole time Directors of the Company at a time as they may think fit and upon such terms and conditions as the Board may think fit and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places. Subject to the provisions of the Act and to the approval of the Company in General Meeting, if required by the Act, the remuneration of a Managing Director or Whole-time Director shall from time to time be fixed by the Board of Directors and may be by way of fixed salary, perquisites, benefits or commission on profits of the Company, or by participation in any such profit or by any or all of these modes or any other mode not expressly prohibited by the Act.
66. The Subject to the provisions of the Act, clause 99 hereof and of these Articles, a Managing Director or a Whole-time Director shall, subject to the provisions of Section 152 of the Act, not while he continues to hold that office, be subject to retirement by rotation under the Act or these Articles but he shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company and he shall ipso facto and immediately cease to be a Managing Director or Whole-time Director if he ceases to hold the office of Director for any cause, provided that if at any time the number of Directors (including the Managing Director or whole-time Director) as are not subject to retirement by rotation shall exceed one-third of the total number of the Directors for the time being, then such Managing Director or Managing Directors or Whole-time Director or Whole-time Directors, as the Directors may from time to time select, shall be liable to retirement by rotation in accordance with these Articles to the intent that the Directors not liable to retirement by rotation shall not exceed one-third of

the total number of Directors for the time being.

67. Subject to the superintendence, control and direction of the Board of Directors, the day to day management of the Company may be entrusted to the Director or Directors with power to the Board to distribute such day to day functions among such Directors, if more than one, in any manner as directed by the Board, or to delegate such power of distribution to any one of them. The Board of Directors may from time to time entrust to and confer upon a Managing Director or Whole-time Director for the time being, save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient and they may subject to the provisions of the Act and these Articles confer upon such powers either collaterally with or to the exclusion of or in substitution for all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.
68. Subject to provision of Section 161 of the Act, the Board of Directors may appoint an Alternate Director to act for a Director (hereinafter called the original Director) during the absence of the original Director for a period of not less than 3 months from the state in which the meetings of the Board are ordinarily held. An Alternate Director so appointed shall vacate office if and when the original Director return to the state in which the meetings of the Board are ordinarily held. If the term of the office of the original Director is determined before he so returns to the state aforesaid any provision for the automatic reappointment of retiring Director in default of another appointment shall apply to the original and not to the Alternate Director.
69. Notwithstanding anything contrary to the above but subject to Act, the composition of the Board shall be as specified hereunder:

Article 99 provides:

70. (a) On and from the date of listing of the Equity Shares of the Company pursuant to the initial public offering of the Company, the Board of the Company shall, at all times, be constituted in compliance with the provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended and other applicable laws, which is subject to receipt of approval of the shareholders, by way of a special resolution, at the first shareholders meeting held by the Company after listing of its Equity Shares pursuant to the initial public offering of the Company, the Company shall have a Board consisting of a minimum of 6 (six) Directors and a maximum of 15 (fifteen) Directors, excluding Alternate Directors. The maximum number of Directors may be increased through a special resolution of the Shareholders. The number of Directors to be nominated by the GLB Family Shareholders, the BLB Family Shareholders and the DRA Family Shareholders shall be in the proportion set out below (“Shareholding Thresholds”):

Shareholding of each of the PG Shareholder Groups as a percentage of the Equity Share capital (on a fully diluted basis)	Number of directors to be nominated by GLB Family Shareholders	Number of directors to be nominated by BLB Family Shareholders	Number of directors to be nominated by DRA Family Shareholders
20% or more	Two	Two	Two
10% or more but less than 20%	One	One	One
Less than 10%	Nil	Nil	Nil

It is clarified that, (i) for the purposes of calculation of Shareholding Thresholds, the vested employee stock options and any outstanding compulsorily convertible security, shall be counted as exercised by the respective employee and outstanding compulsorily convertible security shall be considered converted respectively (ii) Independent Directors on the Board shall be appointed by the Board and the shareholders of the Company in accordance with the Applicable Law, and shall not be nominated by the PG Shareholder Groups.

(b) In the event of any amendment to any applicable law, notification, circular, guidelines, rules or regulations requires an increase or decrease in the number of Directors of a company, or the number of Independent Directors in any company, the increase or decrease shall be given effect to in such a manner that permits, so far as possible under applicable law or the laws, regulations or policies of any other applicable jurisdiction, the rights available to the PG Shareholder Groups to continue *mutatis mutandis*.

(c) The GLB Family Shareholders unequivocally authorize Mr. Girdharilal Bawri to take all decisions on their behalf on matters concerning the Company, matters concerning the GLB Family Shareholders. All decisions taken by him on behalf of the GLB Family Shareholders shall be considered to be duly approved by the GLB Family Shareholders and no separate or specific approval or consent is required from each Shareholder of the GLB Family Shareholders.

(d) The BLB Family Shareholders unequivocally authorize Mr. Banwarilal Bawri to take all decisions on their behalf on matters concerning the Company, matters concerning the BLB Family Shareholders. All decisions taken by him on behalf of the BLB Family Shareholders shall be considered to be duly approved by the BLB Family Shareholders and no separate or specific approval or consent is required from each Shareholder of the BLB Family Shareholders.

(e) The DRA Family Shareholders unequivocally authorize Dr. Rajendra Agarwal to take all decisions on their behalf on matters concerning the Company, matters concerning the DRA Family Shareholders. All decisions taken by him on behalf of the DRA Family Shareholders shall be considered to be duly approved by the DRA Family Shareholders and no separate or specific approval or consent is required from each Shareholder of the DRA Family Shareholders.

PROCEEDINGS OF THE BOARD OF DIRECTORS

Article 100 to 110 provide that:

71. (a) The Directors may meet either in person or through video conferencing, capable of recording and recognizing the participation of the directors, for the dispatch of business from time to time and shall so meet at least once in every three months and at least four such meetings shall be held in every year, provided that there is no gap of more than 120 days between two such meetings. The Directors may adjourn and otherwise regulate their meetings, as they think fit.

The provisions relating to notice, agenda, quorum and minutes stated hereinafter shall *mutatis mutandis* apply to the meetings held through such video conferencing.

(b) The Secretary as and when directed by any Director to do so or any one of the directors shall, convene a meeting of the Board by giving a notice in writing to every other Director. Notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his address in India to every other Director and his alternate.

72. (a) Subject to Section 174 of the Act the quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that one third being rounded off as one) or two directors, present in person or attending through video-conferencing, whichever is higher, provided that where at any time the number of interested directors exceeds or is equal to two thirds of the total strength the number of the remaining director that is to say, the number of directors who are not interested shall be the quorum during such time provided such number is not less than two.

(b) If a meeting of the Board could not be held for want of a quorum then, the meeting shall stand adjourned to the same time and day next week, which is not a National Holiday, or such other date and time as may be fixed by the Chairman.

73. 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.

74. (a) Subject to clause 99 above, the Board may elect the Chairman of its meeting and determine the period for which he is to hold the office.

(b) If no such Chairman is elected, or if at any meeting the Chairman 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 the Chairman of their meeting.

- (c) Question arising at any meeting of the Board shall be determined by a majority of votes of the directors present, and in case of an equality of votes, the Chairman has a second or casting vote.
75. (a) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or numbers of its body as it thinks fit.
- (b) Any committee so formed shall, in the exercise of the power so delegated, conform to any regulation that may be imposed on it by the Board.
- (c) A committee may elect a Chairman of its meetings. If no such Chairman is elected, or if at any meeting the Chairman is not present within minutes after the time appointed for meeting, the members present may choose one of their member to be the Chairman of the meeting.
- (d) Question arising at any meeting of the committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairman has a second or casting vote.
76. All acts done by any meeting of the Board or of a committee thereof or by any person acting as a Director, shall notwithstanding that it may be afterward 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 one of them were disqualified, be as valid as if every Director or such person had been duly appointed and was qualified to be a Director.
77. No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors or all the members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board, or a Committee, as the case may be), and to all other Directors or Members of the Committee at their usual address in India and has been approved by such of the Directors or Members as are then in India, or by a majority of such of them, as are entitled to vote on the resolution. Subject to the provisions of the Act:
78. Subject to the provisions of the Act, the Board shall have power to pay such remuneration to Director for his services, whole time or part time, to the Company or for services of a professional or other nature rendered by him as may be determined by the Board. If any Director, being willing shall be called upon to perform extra services or to make any special executions in going to or residing at a place other than the place where the office of the Company is situated or where such Director usually resides, or otherwise on the Company's business then the Board shall have power to pay to such Director such remuneration as may be determined by the Board.
79. Subject to the provisions of the Act, a Director who is neither in the whole time employment nor a managing Director may be paid remuneration by way of commission if the Company so resolves.
80. Subject to the provisions of the Act, the Directors may, from time to time, at their discretion raise or borrow for the purpose of the Company's business such sum of money as they think fit. The Directors may secure the repayment of or raise any such sum or sums as aforesaid by mortgage or charge upon the whole or any part of the property and assets of the Company, present and future including the uncalled capital or by the issue, at such price as they may think fit, of bonds or debentures of debentures-stock, either charged upon the whole or any part of the property and assets of the Company or not so charged or in such other way as the Directors may think expedient.
81. Subject to the provisions of the Act, the Board of Directors of the Company shall be entitled to exercise all such powers, give all such consents, make all such arrangements, or nearly do all such acts and things as are or shall be by the said Act, the Memorandum of Association or by the Articles of Association of the Company or authorized to be exercised, given, made or done by the Company and are not thereby expressly directed or required to be exercised, given, made or done by the Company in General Meeting, but subject to such articles being (if any) not inconsistent with the said provisions as from time to time may be prescribed by the Company in General Meeting provided that no article so made by the company in General Meeting shall invalidate any prior act of the Directors which would have been valid if the articles had not been made. Save as provided by the said Act or by these presents and subject to the restrictions imposed by Section 179 of the said Act, the Directors may delegate all or any powers by the said Act or by the Memorandum of Association or by the Articles of Association of the Company reposed in them.

DIVIDENDS AND RESERVES

Article 112 to 120 provide that:

82. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
83. 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.
84. (a) The Board may, before recommending any dividends, set aside out of the profits of the Company such as it thinks proper 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 provisions 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 investment (other than shares of the Company) as the Board may, from time to time, think fit.

(b) The Board may also carry forward any profits that it may think prudent not to divide, without setting them aside as a reserve.
85. (a) Subject to the rights of the persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and be paid according to the amounts paid or credited as paid on the shares in respect whereof, the dividend is paid, but if so long and nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

(b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purpose of these articles as paid on the share.

(c) All dividends shall be apportioned and paid proportionally to the amounts paid or credited as paid on the shares during any proportion or proportions 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 shares rank for dividend accordingly.
86. 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.
87. (a) Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque, banking channels or warrant sent through the post directed to the registered address of the holder or, in the case 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.

(b) Every such cheque or warrant shall be made payable to the order of the order of the person whom it is sent.
88. Any one of two or more joint holders of a share may give effectual receipt for any dividends, bonuses or other moneys payable in respect of such share.
89. Notice of any dividends that may have declared shall be given to the person entitled to share therein in the manner mentioned in the Act.
90. No dividends shall bear interest against the Company.

ACCOUNTS

Article 121 to 127 provide that:

91. The Company shall keep at its Registered Office or at such other place in India as the Board thinks fit proper Books of Account in accordance with Section 128 of the Act with respect to:

- (a) all sums of money received and expended by the Company and the matters in respect of which the receipts and expenditure take place;
 - (b) all sales and purchases of goods by the Company.
 - (c) the assets and liabilities of the Company
92. Where the Board decides to keep all or any of the Books of Accounts at any place other than the office of the Company, the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.
93. Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper Books of account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns, made up to date at intervals of not more than three months, are sent by the branch office to the Company at its office or other place in India, at which the Company's Books of Accounts are kept as aforesaid.
94. The Books of Account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain its transactions. The books of Account and other books and papers shall be open to inspection by any Director during business hours.
95. The Directors shall from time to time, in accordance with Section 128, 129 and 134 the Act, cause to be prepared and to be laid before the Company in General Meeting such Balance Sheets, Statement of Profits and Loss, Cash Flow Statement and Reports as are required by these sections.
96. Subject to the provisions of Section 131, with the prior approval of Tribunal, the Directors shall, if they consider it to be necessary and in the interest of the Company, be entitled to amend the Audited Accounts of the Company and their Report of any financial year which have been laid before the Company in General Meeting. The amendments to the Accounts and such Report effected by the Directors in pursuance of this Article shall be placed before the Members in General Meeting for their consideration and approval.
97. Subject to the provisions of Section 136 of the Act, a copy of every such Statement of Profit and Loss, Balance Sheet and Cash Flow Statement (including the Auditors' Report and every other document required by law to be annexed or attached to the balance sheet) shall at least 21 days before the meeting at which the same are to be laid before the members, be sent to the members of the company, to every trustee for the holders of any debentures issued by the company, whether such member, or trustee is or is not entitled to have notices of general meetings of the Company sent to him, and to all persons other than such members or trustees, being persons so entitled.

CAPITALISATION OF PROFITS

Article 128 provides that:

98. (a) The Company in general meeting may, upon the recommendation of the Board, resolve:
- i. that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve account, or to the credit of the profit and loss account, or otherwise available for distribution; and
 - ii. that such sum be accordingly set free for distribution amongst the members who would have been entitled thereto, if distributed in the way of dividend and in the same proportions.
- (b) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in Article 108 (c), either in or towards:
- i. paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - ii. 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; and

iii. partly in the way specified in sub clause (i) and partly in that specified in sub clause (ii).

(c) A securities premium account and a capital redemption reserve account may, for the purposes of this article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares; or

(d) The Board shall give effect to the resolution passed by the Company in pursuance of this article.

Article 129 provides that:

99. (a) Whenever such a resolution as aforesaid shall have been passed, the Board shall:

(i) make all appropriations and application of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and.

(ii) generally do all acts and things required to give effect thereto.

(b) The Board shall have full power:

(i) to make such provision, by issue of fractional certificates or by payment in cash or otherwise, as it thinks fit, for the case of shares or debentures becoming distributable in fraction; and

(ii) to authorize any person, on behalf of all the members entitled thereto, to enter into an agreement with the Company providing for the allotment to such members, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to the capitalised of the amounts or any parts of the amounts remaining unpaid on the shares.

AUDIT

Article 130 provides that:

100. Subject to the provision of Section 139 of the Act.

100.1. The Auditors, whether statutory, branch or internal, shall be appointed and their rights and duties shall be regulated in accordance with the provisions of the Act and the Rules made thereunder.

100.2. Once at least in every year accounts of the Company shall be audited and correctness of the final accounts be ascertained by one or more Auditor or Auditors.

100.3. Every account of the Company when audited and approved by general meeting shall be conclusive.

WINDING UP

Article 142 provides that:

101. The Liquidator on any winding-up (whether voluntary, under supervision or compulsory) may, with the sanction of a Special Resolution and any other sanction required by the Act, divide amongst the members, in specie or in kind the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

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 member or different classes of members.

The liquidator may with the like sanction, vest the whole or any part of such assets in trustees upon such trust for the benefits of the contributors as the liquidator, with the like sanction, shall think fit but so that no member shall be compelled to accept any share or such other securities whereon there is any liability.

CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER

Article 148 to 149 provide that:

102. Subject to the provisions of the Act,—

102.1. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

102.2. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

103. A provision of the Act or these articles 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.

Article 150 provides that:

104. Whenever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorised by its Articles, then and in that case, this Article authorises and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without which there being any specific Article in that behalf therein provided.

We, the several persons, whose names, addresses and descriptions are hereunder subscribed below, are desirous of being formed into a Company in pursuance of this Articles & Association and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names :-

Sr. No.	Names, description Addresses & occupation of Subscribers	Number of Shares Taken by each Subscriber	Signature	Names, Addresses, description of the Witness
1	DR. RAJENDRA AGARWAL S/o. Shri Murlidhar Bawri, 601, Gaurishankar, Dadiseth Road, Malad (W), Mumbai - 400 064. BUSINESS	ONE	Sd/-	ASHOK BANSAL S/o. Late Shri Devkinandan Bansal Chartered Accountant, 30, Baroda Street, Above Vora Steel Traders, Carnac Bunder, Mumbai - 400 009. 3rd May, 1989
2	BANWARILAL BAWRI S/o. Shri Murlidhar Bawri, 601, Gaurishankar, Dadiseth Road, Malad (W), Mumbai - 400 064. BUSINESS	ONE	Sd/-	
3	GIRDHARILAL BAWRI S/o. Shri Murlidhar Bawri, 601, Gaurishankar, Dadiseth Road, Malad (W), Mumbai - 400 064. BUSINESS	ONE	Sd/-	
4	SMT. RATNIDEVI BAWRI W/o. Shri Murlidhar Bawri, 601, Gaurishankar, Dadiseth Road, Malad (VV), Mumbai - 400 064. BUSINESS	ONE	Sd/-	
		FOUR		

PART B OF THE ARTICLES OF ASSOCIATION

The provisions of these Articles 1 to 157 (hereinafter referred to as Part B of these Articles) shall have effect notwithstanding anything contrary (either expressly or by necessary implication) contained in Part A of these Articles.

In the event of any conflict between Part A of these Articles and Part B of these Articles, Part B shall prevail. Subject to Applicable Law, in the event of any conflict between the terms of the Shareholders' Agreement (as defined below) and those of these Articles, the terms of the Shareholders' Agreement shall prevail over the Articles and the Company and the members of the Company shall take all steps to ensure that the terms and conditions of the Shareholders' Agreement are adhered to and effect such amendments or alterations to the Articles of the Company to carry out the conditions of the Shareholders' Agreement in letter and in spirit.

All references to an Article or Articles in this Part B shall be references to an Article or Articles of Part B of these Articles.

1. PRELIMINARY

1) Application of Table F

The articles contained in Table F of the first schedule and the applicable provisions of Companies Act, 2013, as applicable to a public limited company, shall apply to this Company, save unless they are expressly or by implication excluded or modified by the following Articles.

2. INTERPRETATION

2) In these articles —

Unless the context otherwise requires, words or expressions contained in these articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these articles become binding on the Company.

- I. **“Act”** means the Companies Act, 1956 (to the extent that such enactment is in force) and the Companies Act, 2013 (to the extent notified).
- II. **“Annual General Meeting”** means a general meeting of the Members held in accordance with the provisions of Section 96 of the Act and any adjourned holding thereof.
- III. **“Auditors”** means and includes those persons appointed as such for the time being by the Company.
- IV. **“Beneficial Owner”** means a person whose name is recorded as such with a Depository.
- V. **“Board”** means the duly constituted Board of Directors of the Company.
- VI. **“Capital”** means the Share capital for the time being raised or authorised to be raised, for the purpose of the Company.
- VII. **“Chairman”** means the Chairman of the Board of Directors of the Company.
- VIII. **“Company”** or **“this Company”** means **“MACLEODS PHARMACEUTICALS LIMITED”**.
- IX. **“Debenture”** includes Debenture-stock
- X. **“Depositories Act”** means the Depositories Act, 1996, including any statutory modifications or re-enactment thereof for the time being in force.
- XI. **“Depository”** means a company formed and registered under the Companies Act, 1956 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.
- XII. **“Directors”** mean the Directors for the time being of the Company or as the case may be the Directors assembled at a Board Meeting.
- XIII. **“Dividend”** includes bonus and interim dividend.
- XIV. **“Extraordinary General Meeting”** means an extraordinary general meeting of the Members duly called and convened and any adjourned holding thereof.
- XV. **“Key Managerial Personnel”** means an individual as defined under Section 2(51) of the Act.
- XVI. **“Manager”** means an individual as defined under Section 2(53) of the Act.
- XVII. **“Managing Director or Joint Managing Director”** means an individual as defined under Section 2(54) of the Act.
- XVIII. **“Member”** means the duly registered holder, from time to time, of the shares of the Company and includes every person whose name is entered as a Beneficial Owner as defined in clause (a) of Sub-section (1) of Section 2 of the Depositories Act, 1996.
- XIX. **“Meeting”** or **“General Meeting”** means a meeting of Directors or Members or creditors as the case may be.
- XX. **“Non-retiring Director”** means a director not subject to retirement by rotation includes an Independent Director appointed pursuant to the provisions of Section 149(4) of the Act.
- XXI. **“Office”** means the registered office of the Company.

- XXII. **“Paid up”** includes capital credited as paid up.
- XXIII. **“Person”** means any natural person, firm, company, governmental authority, joint venture, partnership, association or any other entity (whether or not having a separate legal personality)
- XXIV. **“Register of Members”** means the Register of Members to be kept pursuant to Section 88 of the Act.
- XXV. **“The Registrar”** means the Registrar of Companies of the State in which the office of the Company is for the time being situated.
- XXVI. **“Record”** includes the records maintained in the form of books or stored in Computer or in such other form as may be determined by regulations made by SEBI in relation to the Depositories Act, 1996.
- XXVII. **“Seal”** means the Common Seal for the time being of the Company.
- XXVIII. **“Share”** means a share in the share capital of the Company and includes stock except where a distinction between stock and shares is expressed or implied.
- XXIX. **“Ordinary Resolution”** and **“Special Resolution”** shall have the meanings assigned thereto by Section 114 of the Act.
- XXX. **“Year”** means the calendar year and **“Financial Year”** shall have the meaning assigned thereto by Section 2 (41) of the Act.
- XXXI. **“Chairman”** means Shri Girdharilal Bawri, or such person nominated or appointed by the Board/ Members in their meeting from time to time.
- XXXII. **“Shareholders Agreement”** means agreement dated 5th September, 2019; pursuant to which all the shareholders of the Company as on 5th September, 2019. Agreed to entrench the articles of the Company in the manner provided in the said agreement.¹
- XXXIII. **“Shareholder’s Affirmative Vote Items”** means items specified from Sr. 128 to Sr. 157 of this Article.²
- XXXIV. **“Affirmative Vote”** means vote required by shareholders/ representative of shareholders to approve Shareholder’s Affirmative Vote Items. If affirmative vote is not received by all shareholders/ all representatives of shareholders within 21 days; such item shall not be binding on the Company.²
- XXXV. **“Entrenchment of Article”** means Shareholder’s Affirmative Vote Items shall have an overriding effect on same or similar items in this Article and in case where businesses specified in Shareholder’s Affirmative Vote Items are to be carried, Affirmative Vote shall be obtained in the manner provided in Shareholders Agreement.²

3. SHARE CAPITAL AND VARIATION OF RIGHTS

- 3) (a) The Authorised Share Capital of the Company shall be as per Clause V of the Memorandum of Association of the Company with rights to alter the same in whatever way as deemed fit by the Company. The company may increase or decrease the Authorised Share Capital in accordance with Company's articles and legislative provisions for the time being in that behalf.
- (b) Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the 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 and at such time as they may from time to time think fit
- (c) The Company may, subject to the provisions of Section 55 of the said Act, issue preference shares which are liable to be redeemed and may redeem such shares in any manner provided in the said section and

¹ Amended via. Special Resolution passed by Members in their AGM dated 30.09.2019

² Amended via. Special Resolution passed by Members in their AGM dated 30.09.2019

may issue shares up to the nominal amount of the shares redeemed or to be redeemed. Where the Company has issued redeemable preference shares the provisions of the said section shall be complied with.

- (d) If at any time share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of the 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-fourth 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.
 - (e) To every such separate meeting, the provision of these articles relating to general meeting shall apply.
- 4) Subject to the provisions of Section 40(6) of the Act, the Company may, at any time, pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any securities in the Company, or procuring, or agreeing to procure subscriptions (whether absolute or conditional) for any securities in the Company, but so that the commission shall not exceed, in the case of shares, five per cent of the price at which the shares are issued and in the case of debentures and other securities, two and a half per cent of the price at which the debentures are issued, or such higher rate or rates as may be permissible under any statutory provision for the time being in force. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid securities or partly in one way and partly in the other. The Company may also pay such brokerage as may be lawful.
 - 5) Except as provided by the Act, the Company shall not, except by reduction of capital under the provision of Sections 66 or Section 242 of the said Act, buy its own shares nor give, whether directly or indirectly, and whether by means of a loan, guarantee, provision of security or otherwise any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company or in its holding company.

Provided that nothing in this Article shall be taken to prohibit:

- (a) the provision of money in accordance with any scheme approved by the Company through Special Resolution and in accordance with the requirements specified in the relevant Rules, for the purchase of, or subscription for, fully paid up Shares in the Company, if the purchase of, or the subscription for the Shares held by trustees for the benefit of the employees or such Shares held by the employee of the Company;
 - (b) the giving of loans by the Company to persons in the employment of the Company other than its Directors or Key Managerial Personnel, for an amount not exceeding their salary or wages for a period of six months with a view to enabling them to purchase or subscribe for fully paid up Shares in the Company to be held by them by way of beneficial ownership. Nothing in this clause shall affect the right of the Company to redeem any shares issued under Section 55.
- 6) Except as required by law, no person shall be recognized by the Company as holding any shares upon any trust, and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof), any equitable, contingent, future or partial interest in any shares, or any interest in any fractional part of a share or (except only as by these article or by law otherwise provided) any other rights in respect of any share except an absolute rights to the entirety thereof in the register of shareholders.
 - 7) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month after the application for the registration to transfer (or within such other period as the conditions of the issue shall provide):
 - (i) one certificate for all his share without payment of any charges; or
 - (ii) several certificates, each for one or more of his shares, upon payment of such sum as may be determined by the Board from time to time.
 - (b) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

- (c) In respect of 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.
- 8) (a) Notwithstanding anything contained herein, the Company shall be entitled to dematerialise its shares, debentures and other securities pursuant to the Depositories Act, 1996 and to offer its shares, debentures and other securities for subscription in a dematerialised form.
- (b) Notwithstanding anything contained herein, the Company shall be entitled to treat the person whose names appear in the register of members as a holder of any share or whose names appear as beneficial owners of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or as required by law) be bound to recognise any benami trust or equity or equitable contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.
- (c) Notwithstanding anything contained herein, in the case of transfer of shares or other marketable securities where the Company has not issued any Certificates and where such shares or other marketable securities are being held in an electronic and fungible form, the provisions of the Depositories Act, 1996 shall apply. Further, the provisions relating to progressive numbering shall not apply to the shares of the Company which have been dematerialised.
- 9) If share certificate is defaced, lost or destroyed, it may be renewed on payment of such fee, if any, not exceeding Rs. 20/- (twenty Rupees), and on such terms, if any, as to evidence and indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating evidence, as the Directors think fit.

4. LIEN

- 10) (a) The Company shall have a first and paramount lien:
- (i) on every share (not being a fully paid up share, for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
 - (ii) on all shares (not being fully paid up shares) standing registered in the name of the single person, for all moneys presently payable by him or his estate to the Company.

Provided that the Board of Directors may at any time declare any share to be wholly or in part exempt from the provision of this Article.

- (b) The Company's lien, if any, on a share shall extend to all dividends payable thereon.
- 11) 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.
- 12) (a) To give effect to any such sale, the Board may authorize any person to transfer the shares sold to the purchaser thereof.
- (b) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (c) 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 irregularity or invalidity in the proceedings in the reference to the sale.
- 13) (a) 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.

- (b) 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.

5. CALL ON SHARES

- 14) (a) The Board may, from time to time, make calls upon the members in respect of any moneys 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.
 - (b) 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 time or times and place so specified, the amount called on his shares.
 - (c) A call may be revoked or postponed at the discretion of the Board.
- 15) A call is deemed to have been made at time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.
- 16) The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- 17) (a) 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 thereof to the time of actual payment at rate as the Board may determine.
 - (b) The Board shall be at liberty to waive payment of any such interest wholly or in part.
- 18) (a) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of nominal value of the share or by way of premium, shall, for the purpose of these articles, be deemed to be a call duly made and payable on the date which by the terms of issue such sum become payable.
 - (b) In case of non-payment of such sum, all the relevant provisions of these articles as to payment of interest and expenses, forfeiture or other wish shall apply as if such sum had become payable by virtue a call duly made and notified.
- 19) (a) The Board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the moneys uncalled and unpaid upon any shares held by him; and
 - (b) The Board, upon all or any moneys 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 12 percent per annum, as may be agreed upon between the Board and the member and the member paying the sum in advance provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced.

The member 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.

The provisions of these Articles shall *mutatis mutandis* apply to any calls on debentures.

6. TRANSFER OF SHARES

- 20) (a) The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.
 - (b) 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.
- 21) 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.

22) The Board may also decline to recognize 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 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.

23) Subject to the provision of Section 91 of the Act, 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 aggregated in any year.

24) There shall be no fee paid to the Company, in respect of the transfer or transmission of any number of shares, registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

7. TRANSMISSION OF SHARES

- 25) (a) On the death of a member, the survivor or survivors where the member was a joint holder, and 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.
- (b) Nothing in Article 25(a) shall release the estate of a deceased joint holder from liability in respect of any share which had been jointly held by him with other persons.
- 26) (a) Any person becoming entitled to a share in consequence of the death or insolvency of any 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:
 - (i) to be registered himself as holder of shares: or
 - (ii) to make such transfer of the share as the deceased or insolvent member could have made.
- (b) 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.
- 27) (a) 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.
- (b) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (c) All the limitations, restriction and provisions of these articles relating to the right 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.
- 28) A person becoming entitled to a share by reason of 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 the meeting 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 payments of all dividends, bonuses or money payable in respect of the share, until the requirements of the notice have been complied with.

8. FORFEITURE OF SHARES

- 29) If a member fails to pay any call, or instalment 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 instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
- 30) 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, the event of non-payment on or before the day so named, the shares in respect of which the call was made will be liable to be forfeited.
- 31) If the requirements of any such notices 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 the resolution of the Board to that effect.
- 32) (a) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (b) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
- 33) (a) A person whose shares have been forfeited shall cease to be a member in respect of forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.
- (b) The liability of such person shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares.
- 34) (a) 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 being duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
- (b) The Company may receive the consideration, if any, given for share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.
 - (c) The transferee shall there upon be registered as the holder of the share.
 - (d) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in the reference to the forfeiture, sale or disposal of the share.
- 35) The provision of these articles as to forfeiture shall apply in the case of non-payment of any sum, 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 notified.

9. CONVERSION OF SHARES INTO STOCK

- 36) The Company may, by ordinary resolution:

- (a) convert any paid-up shares into stock; and
 - (b) reconvert any stock into paid-up shares of any denomination
- 37) The holder of the stock may transfer the same or any part thereof in the same manner as, and subject to the same articles under which, the share 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.

- 38) The holders of the 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 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.
- 39) Such of the article of the Company (other than those relating to share warrants), as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those articles shall include “stock” and “stockholder” respectively.

10. SHARE WARRANTS

- 40) The Company may issue share warrants subject to, and according to the Board may in its discretion, with respect to any share which is fully paid-up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the person signing the application, and on receiving the certificate (if any) of the share, and the amount of the stamp duty on the warrant and such fees as the Board may from time to time require, issue a share warrant.
- 41) (a) The bearer of a share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privileges of a member at any meeting held after the expire of two clear days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares included in the deposited warrant.
- (b) Not more than one person shall be recognized as a depositor of the share warrant.
- (c) The Company shall, on two days written notice, return the deposited share warrant to the depositor.
- 42) (a) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privilege of a member at a meeting of the Company, or be entitled to receive any notices from the Company.
- (b) The bearer of a share warrant be entitled in all other respects to the same privilege and advantages as if he were named in the register of members as the holder of the shares included in the warrant, and shall be a member of the Company.
- 43) The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

11. ALTERATION OF CAPITAL

- 44) (a) The Board may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such class of share as may be specified in the resolution.
- (b) Subject to the provisions of the Act, the Company is hereby authorised to buy-back the Company’s shares or other specified securities out of its free reserves or its securities premium account or from the proceeds of any shares or other specified securities; Provided that no buy-back of any kind of shares or other

specified securities shall be made out of the proceeds of an earlier issue of the same kind of shares or the same kind of other specified securities.

45) 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) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum, subject, nevertheless, to the provisions of Section 61 of the Act;
- (c) cancel any shares which, at the date of passing of the resolution, have not taken by any person; and
- (d) subject to the provision of the Act and other applicable provision of law, the Company may issue shares; either equity or any other kind with non-voting rights and the resolution authorizing such issue shall prescribe the terms and conditions of that issue.

46) The Company may, by special resolution, reduce in any manner and with, and subject to any incident and consent required any law:

- (a) its share capital;
- (b) any capital redemption reserve account;
- (c) any share premium account; or
- (d) buy back its own shares.

12. PROCEEDINGS AT GENERAL MEETING

47) The Company shall, in addition to any other meetings hold a General Meeting which shall be called as its Annual General Meeting, at the intervals and in accordance with the provisions of the Act. All general meetings including annual general meetings shall be convened by giving at least twenty-one days notice to shareholders. However, with the consent of all the members entitled to vote, at an Annual General Meeting or with the consent of the members holding 95 percent of such part of the paid-up share capital of the Company as gives a right to vote thereat, any general meeting may be convened by giving a shorter notice than twenty one days.

48) The Board may, whenever it thinks fit, call an Extra ordinary General Meeting and it shall do so upon a requisition in writing by any Member or Members holding in the aggregate not less than one-tenth of such of the paid-up capital as at that date carries the right of voting in regard to the matter in respect of which the requisition has been made.

49) No business shall be transacted at any general meeting unless a quorum of members is present as provided in Section 103 of the Act.

50) The Chairman, if any, of the Board shall preside as Chairman at every general meeting of the Company. If there is no such Chairman, or he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as Chairman of the meeting, the Directors present shall elect one of their members to be the Chairman of the meeting. If at any meeting no Director is willing to act as Chairman or if no Director is present within fifteen minutes the time appointed for holding the meeting, the members present shall choose one of their members to be the Chairman of the meeting.

13. ADJOURNMENT OF MEETING

51) (a) The Chairman 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.

- (b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

- 52) In case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place, or ay which the poll is demanded, shall be entitled to a second or casting vote.

14. VOTES OF MEMBERS

- 53) Subject to any rights or restrictions for the time being attached to any classes of shares:

- (a) on a show of hands, every member present in person shall have one vote; and
- (b) on a poll, voting rights of members shall be as laid down in Section 47 of the Act.

A member may exercise his vote at a meeting by electronic means in accordance with the Section 108 of the Act and shall vote only once.

- 54) In case of joint holders, the vote of the senior who tenders the vote, whether in a person or by proxy, shall be accepted to the exclusion of votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
- 55) 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.
- 56) No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
- 57) (a) 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.
- (b) Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.
- 58) The instrument appointing proxy and the power of attorney or other authority, if any under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the registered office of the Company not later than 48 hours the time for holding the meeting at which the person named in the instrument proposes to vote and in the default the instrument of proxy shall not be treated as valid.
- 59) An instrument appointing proxy shall be in either of the forms in the Act or a form as near thereto as circumstances admit.
- 60) A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or 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 limitation 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 at which the proxy is used.

15. DIRECTORS

- 61) (a) Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors shall not be less than three and not be more than fifteen.
- (b) The above named Directors of the Company shall hold the office as per the provisions contained in these articles and as per the provisions of the Act.
- (c) The following persons are the First Directors of the Company.
- (i) Dr. Rajendra Agarwal

(ii) Mr. Banwarilal Bawri

62) Remuneration of the Directors who are in whole time employment of the Company may be paid remuneration either by way of monthly payment or at specified percentage of the net profits of the Company or partly by one way and partly by the other or as the Board may deem fit.

63) The Directors need not hold any qualification Shares.

64) The office of a director shall become vacant in case-

- (a) he incurs any of the disqualifications specified in section 164;
- (b) he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;
- (c) he acts in contravention of the provisions of section 184 relating to entering into contracts or arrangements in which he is directly or indirectly interested;
- (d) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of section 184;
- (e) he becomes disqualified by an order of a court or the Tribunal;
- (f) he is convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months:

Provided that the office shall be vacated by the director even if he has filed an appeal against the order of such court;

- (g) he is removed in pursuance of the provisions of this Act;
- (h) he, having been appointed a director by virtue of his holding any office or other employment in the holding, subsidiary or associate company, ceases to hold such office or other employment in that company.

65) The Directors shall have power at any time and from time to time, to appoint any person other than a person who fails to get appointed as a director in a general meeting, as an additional director at any time. Each such Additional Director shall hold office only up to the date of the next following Annual General Meeting, or the last date on which the annual general meeting should have been held, whichever is earlier, but shall be eligible for appointment by the Company at that meeting as a Director.

66) The Directors may elect one of them to the office of the Chairman/ chairperson of the Board of Directors and determine the period for which he/she is to hold office.

67) At every Annual General Meeting of the Company, one third of such of the Directors, for the time being, as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office. The Independent, Nominee, Special and Debenture Directors, if any, shall not be subject to retirement under this clause and shall not be taken into account in determining the rotation of retirement or the number of directors to retire, subject to Section 152 and other applicable provisions if any, of the Act.

Subject to Section 152 of the Act, the directors, liable to retire by rotation, at every annual general meeting, shall be those, who have been longest in office since their last appointment, but as between the persons, who became Directors on the same day, and those who are liable to retire by rotation, shall, in default of and subject to any agreement among themselves, be determined by lot.

68) A Director of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner

provided in Section 184 of the Act.

- 69) Subject to the provision of the Act, and notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to a financing company or body or a financing corporation or credit corporation or a bank or any insurance corporation (each such financing company or body of financing corporation or credit corporation or any insurance corporation is herein after referred to as “Financial Institution”) out of any loans granted by the Financial Institution to the Company or so long as the Financial Institution holds shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the financial institution on behalf of the Company remains outstanding the financing institution shall have a right to appoint from time to time, its nominee/s as a director or directors (which director or directors is/are hereinafter referred to as “Nominee Director/s”) on the Board of the Company and to remove from such office the Nominee Director/s so appointed, and the time of removal and also in the case of death or resignation of the Nominee Director/s appointed at any time appoint any other person/persons in his/her place and also fill any vacancy which may occur as a result of such director/ceasing to hold office for any reasons whatsoever; such appointment or removal shall be made in writing on behalf of the Financial Institution appointing such nominee Director/s and shall be delivered to the Company at its Registered Office.
- 70) The Nominee Director/s shall not be required to hold any qualification shares in the Company to qualify him/them for the office of a director/s nor shall he/they be liable to retirement by rotation. The Board of Directors of the Company shall have no power to remove from the office the Nominee Director/s appointed, subject to the aforesaid, the said nominee directors/s shall be entitled to the same rights and privileges and to subject to the same obligations as any director of the Company.
- 71) The Nominee Director/s so appointed shall hold the office only so long as any moneys remain owing by the Company to the Financial Institution or so long as Financial Institution holds debentures in the Company as a result of subscription or private placement or so long as the Financial Institution holds shares in the Company as a result of undertaking or direct subscription or the liability of the Company arising out of any guarantee, is outstanding and the Nominee Director/s so appointed in exercise of the said powers shall vacate such office, immediately the moneys owing by the Company to the Financial Institution is paid off or on the Financial Institution ceasing to hold debenture/shares in the Company or on the satisfaction of the liability of the Company arising out of any guarantee furnished by the Financial Institution.
- 72) The Nominee Director/s appointed under this Article shall be entitled all notice and attend all general meetings and Board meeting and meeting of the committee of which the Nominee Director/s is/are member/s as also the minutes of such meeting. The Financial institution shall also be entitled to receive all such notice and minutes.
- 73) The Nominee Director/s shall notwithstanding anything to the contrary contained in these Articles, be at liberty to disclose any information obtained him/them to the Financial Institution appointing him/them as such Director/s.
- 74) Subject to the provisions of the Act and of these Articles, the Board of Directors may from time to time appoint one or more person/s to be Managing Director or Managing Directors (in which expression shall be included a Joint Managing Director) or Whole-time Director or Whole time Directors of the Company at a time as they may think fit and upon such terms and conditions as the Board may think fit and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places. Subject to the provisions of the Act and to the approval of the Company in General Meeting, if required by the Act, the remuneration of a Managing Director or Whole-time Director shall from time to time be fixed by the Board of Directors and may be by way of fixed salary, perquisites, benefits or commission on profits of the Company, or by participation in any such profit or by any or all of these modes or any other mode not expressly prohibited by the Act.
- 75) The Subject to the provisions of the Act and of these Articles, a Managing Director or a Whole-time Director shall, subject to the provisions of Section 152 of the Act, not while he continues to hold that office, be subject to retirement by rotation under the Act or these Articles but he shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company and he shall ipso facto and immediately cease to be a Managing Director or Whole-time Director if he ceases to hold the office of Director for any cause, provided that if at any time the number

of Directors (including the Managing Director or whole-time Director) as are not subject to retirement by rotation shall exceed one-third of the total number of the Directors for the time being, then such Managing Director or Managing Directors or Whole-time Director or Whole-time Directors, as the Directors may from time to time select, shall be liable to retirement by rotation in accordance with these Articles to the intent that the Directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being.

- 76) Subject to the superintendence, control and direction of the Board of Directors, the day to day management of the Company may be entrusted to the Director or Directors with power to the Board to distribute such day to day functions among such Directors, if more than one, in any manner as directed by the Board, or to delegate such power of distribution to any one of them. The Board of Directors may from time to time entrust to and confer upon a Managing Director or Whole-time Director for the time being, save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient and they may subject to the provisions of the Act and these Articles confer upon such powers either collaterally with or to the exclusion of or in substitution for all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.
- 77) Subject to provision of Section 161 of the Act, the Board of Directors may appoint an Alternate Director to act for a Director (hereinafter called the original Director) during the absence of the original Director for a period of not less than 3 months from the state in which the meetings of the Board are ordinarily held. An Alternate Director so appointed shall vacate office if and when the original Director return to the state in which the meetings of the Board are ordinarily held. If the term of the office of the original Director is determined before he so returns to the state aforesaid any provision for the automatic reappointment of retiring Director in default of another appointment shall apply to the original and not to the Alternate Director.
- 78) A Director may receive remuneration by way of fee not exceeding such amount as may be permissible under the Rules for attending each meetings of the Board or Committee thereof; or of any other purpose whatsoever as may be decided by the Board. The Directors shall also be paid their travelling; lodging and boarding expenses and such further remuneration (if any) as may be decided from time to time.

16. PROCEEDINGS OF THE DIRECTORS

- 79) (a) The Directors may meet either in person or through video conferencing, capable of recording and recognizing the participation of the directors, for the dispatch of business from time to time and shall so meet at least once in every three months and at least four such meetings shall be held in every year, provided that there is no gap of more than 120 days between two such meetings. The Directors may adjourn and otherwise regulate their meetings, as they think fit.

The provisions relating to notice, agenda, quorum and minutes stated hereinafter shall *mutatis mutandis* apply to the meetings held through such video conferencing.

- (b) The Secretary as and when directed by any Director to do so or any one of the directors shall, convene a meeting of the Board by giving a notice in writing to every other Director. Notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his address in India to every other Director and his alternate.
- 80) (a) Subject to Section 174 of the Act the quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that one third being rounded off as one) or two directors, present in person or attending through video-conferencing, whichever is higher, provided that where at any time the number of interested directors exceeds or is equal to two thirds of the total strength the number of the remaining director that is to say, the number of directors who are not interested shall be the quorum during such time provided such number is not less than two.
- (b) If a meeting of the Board could not be held for want of a quorum then, the meeting shall stand adjourned to the same time and day next week, which is not a National Holiday, or such other date and time as may be fixed by the Chairman.

- 81) (a) The Board may elect the Chairman of its meeting and determine the period for which he is to hold the office.
- (b) If no such Chairman is elected, or if at any meeting the Chairman 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 the Chairman of their meeting.
- (c) Question arising at any meeting of the Board shall be determined by a majority of votes of the directors present, and in case of an equality of votes, the Chairman has a second or casting vote.
- 82) (a) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or numbers of its body as it thinks fit.
- (b) Any committee so formed shall, in the exercise of the power so delegated, conform to any article that may be imposed on it by the Board.
- (c) A committee may elect a Chairman of its meetings. If no such Chairman is elected, or if at any meeting the Chairman is not present within minutes after the time appointed for meeting, the members present may choose one of their member to be the Chairman of the meeting.
- (d) Question arising at any meeting of the committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairman has a second or casting vote.
- 83) 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 afterward 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 one of them were disqualified, be as valid as if every Director or such person had been duly appointed and was qualified to be a Director.
- 84) No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors or all the members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board, or a Committee, as the case may be), and to all other Directors or Members of the Committee at their usual address in India and has been approved by such of the Directors or Members as are then in India, or by a majority of such of them, as are entitled to vote on the resolution. Subject to the provisions of the Act:
- 85) Board shall have power to pay such remuneration to Director for his services, whole time or part time, to the Company or for services of a professional or other natural rendered by him as may be determined by the Board. If any Director, being willing shall be called upon to perform extra services or to make any special executions in going to or residing at a place other than the place where the office of the Company is situated or where such Director usually resides, or otherwise on the Company's business then the Board shall have power to pay to such Director such remuneration as may be determined by the Board.
- 86) Subject to the provisions of the Act, a Director who is neither in the whole time employment nor a managing Director may be paid remuneration by way of commission if the Company so resolves.
- 87) Subject to the provisions of the Act, Directors may, from time to time, at their discretion raise or borrow for the purpose of the Company's business such sum of money as they think fit. The Directors may secure the repayment of or raise any such sum or sums as aforesaid by mortgage or charge upon the whole or any part of the property and assets of the Company, present and future including the uncalled capital or by the issue, at such price as they may think fit, of bonds or debentures of debentures-stock, either charged upon the whole or any part of the property and assets of the Company or not so charged or in such other way as the Directors may think expedient.
- 88) Subject to the provisions of the Act, the Board of Directors of the Company shall be entitled to exercise all such powers, give all such consents, make all such arrangements, be nearly do all such acts and things as are or shall be by the said Act, the Memorandum of Association or by the Articles of Association of the Company or authorized to be exercised, given, make or done by the Company and are not thereby expressly directed or required to be exercised, given, made or done by the Company in General Meeting, but subject to such articles

being (if any) not inconsistent with the said provisions as from time to time may be prescribed by the Company in General Meeting provided that no article so made by the company in General Meeting shall invalidate any prior act of the Directors which would have been valid if the articles had not been made. Save as provided by the said Act or by these presents and subject to the restrictions imposed by Section 179 of the said Act, the Directors may delegate all or any powers by the said Act or by the Memorandum of Association by the Articles of Association of the Company reposed in them.

17. THE SEAL

- 89) (a) The Directors shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and the Directors shall provide for the safe custody of the Seal for the time being and the Seal shall never be used except by or under the authority of the Directors or a Committee of Directors previously given and every deed or other instrument to which the Seal of the Company is required to be affixed shall, be affixed in the presence of at least one Director or the Manager or the Secretary or such other person as the Board/Committee of the Board may appoint for the purpose, who shall sign every instrument to which the Seal is so affixed in his presence.
- (b) The Company shall also be at liberty to have an official seal in accordance with the provisions of the Act, for use in any territory, district or place outside India.

18. DIVIDENDS AND RESERVES

- 90) The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
- 91) The Board may from time to time pay to the members such dividends as appear to it to be justified by the profits of the Company.
- 92) (a) The Board may, before recommending any dividends, set aside out of the profits of the Company such as it thinks proper 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 provisions 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 investment (other than shares of the Company) as the Board may, from time to time, think fit.
- (b) The Board may also carry forward any profits that it may think prudent not to divide, without setting them aside as a reserve.
- 93) (a) Subject to the rights of the persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and be paid according to the amounts paid or credited as paid on the shares in respect whereof, the dividend is paid, but if so long and nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
- (b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purpose of these articles as paid on the share.
- (c) All dividends shall be apportioned and paid proportionally to the amounts paid or credited as paid on the shares during any proportion or proportions 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 shares 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) (a) Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case 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.

- (b) Every such cheque or warrant shall be made payable to the order of the order of the person whom it is sent.
- 96) Any one of two or more joint holders of a share may give effectual receipt for any dividends, bonuses or other moneys payable in respect of such share.
- 97) Notice of any dividends that may have declared shall be given to the person entitled to share therein in the manner mentioned in the Act.

19. ACCOUNTS

- 98) The Company shall keep at its Registered Office or at such other place in India as the Board thinks fit proper Books of Account in accordance with Section 128 of the Act with respect to:
 - (a) all sums of money received and expended by the Company and the matters in respect of which the receipts and expenditure take place;
 - (b) all sales and purchases of goods by the Company.
 - (c) the assets and liabilities of the Company
- 99) Where the Board decides to keep all or any of the Books of Accounts at any place other than the office of the Company, the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.
- 100) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper Books of account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns, made up to date at intervals of not more than three months, are sent by the branch office to the Company at its office or other place in India, at which the Company's Books of Accounts are kept as aforesaid.
- 101) The Books of Account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain its transactions. The books of Account and other books and papers shall be open to inspection by any Director during business hours.
- 102) The Directors shall from time to time, in accordance with Section 128, 129 and 134 the Act, cause to be prepared and to be laid before the Company in General Meeting such Balance Sheets, Statement of Profits and Loss, Cash Flow Statement and Reports as are required by these sections.
- 103) Subject to the provisions of Section 131, with the prior approval of Tribunal, the Directors shall, if they consider it to be necessary and in the interest of the Company, be entitled to amend the Audited Accounts of the Company and their Report of any financial year which have been laid before the Company in General Meeting. The amendments to the Accounts and such Report effected by the Directors in pursuance of this Article shall be placed before the Members in General Meeting for their consideration and approval.
- 104) Subject to the provisions of Section 136 of the Act, a copy of every such Statement of Profit and Loss, Balance Sheet and Cash Flow Statement (including the Auditors' Report and every other document required by law to be annexed or attached to the balance sheet) shall at least 21 days before the meeting at which the same are to be laid before the members, be sent to the members of the company, to every trustee for the holders of any debentures issued by the company, whether such member, or trustee is or is not entitled to have notices of general meetings of the Company sent to him, and to all persons other than such members or trustees, being persons so entitled.

20. CAPITALISATION OF PROFITS

- 105) (a) The Company in general meeting may, upon the recommendation of the Board, resolve:

- (i) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve account, or to the credit of the profit and loss account, or otherwise available for distribution; and
 - (ii) that such sum be accordingly set free for distribution amongst the members who would have been entitled thereto, if distributed in the way of dividend and in the same proportions.
 - (b) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in Article 108 (c), either in or towards:
 - (i) paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - (ii) 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; and
 - (iii) partly in the way specified in sub clause (i) and partly in that specified in sub clause (ii).
 - (c) A securities premium account and a capital redemption reserve account may, for the purposes of this article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares; or
 - (d) The Board shall give effect to the resolution passed by the Company in pursuance of this article.
- 106) (a) Whenever such a resolution as aforesaid shall have been passed, the Board shall:
- (i) make all appropriations and application of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and.
 - (ii) generally do all acts and things required to give effect thereto.
- (b) The Board shall have full power:
- (i) to make such provision, by issue of fractional certificates or by payment in cash or otherwise, as it thinks fit, for the case of shares or debentures becoming distributable in fraction; and
 - (ii) to authorize any person, on behalf of all the members entitled thereto, to enter into an agreement with the Company providing for the allotment to such members, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to the capitalised of the amounts or any parts of the amounts remaining unpaid on the shares.

21. AUDIT

107) Subject to the provision of Section 139 of the Act.

- (a) The Auditors, whether statutory, branch or internal, shall be appointed and their rights and duties shall be regulated in accordance with the provisions of the Act and the Rules made thereunder.
- (b) Once at least in every year accounts of the Company shall be audited and correctness of the final accounts be ascertained by one or more Auditor or Auditors.
- (c) Every account of the Company when audited and approved by general meeting shall be conclusive.

22. DOCUMENTS AND NOTICE

108) A document or notice may be served or given by the Company on any Member either personally or by sending it by post or by registered post or by speed post or by courier or by delivering at his office or address, or by such electronic or other mode as may be prescribed.

- 109) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, preparing and posting a letter containing the document or notice, provided, that where a Member has intimated to the Company in advance that documents or notices should be sent to him by registered post with or without acknowledgment due or under any other permissible mode and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be deemed to have been effected in the case of a Notice of a meeting at the expiration of forty eight hours (48) after the letter containing the document or notice is posted and in any other cases, at the time at which the letter would be delivered in the ordinary course of post.
- 110) A document or notice advertised in a newspaper circulating in the neighbourhood of the office shall be deemed to be duly served or sent on the day on which the advertisement appears on to every member who has no registered address in India and has not supplied to the Company an address within India for the serving of documents on or the sending of notices to him.
- 111) A document or notice may be served or given by the Company on or to the joint-holders of a share by serving or giving the document or notice on or to the joint-holder named first in the Register of Members in respect of the share.
- 112) A document or notice may be served or given by the Company on or to the persons entitled to a share in consequence of the death or insolvency of a member by ending it through the post in prepaid letter addressed to them by name or by the title of representatives of the deceased, or assignee of the deceased, or assignee of the insolvent or by any like description, at the address (if any) in India supplied for the purpose by the persons claiming to be entitled, or (until such an address has been so supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred.
- 113) Documents or notices of every General Meeting shall be served or given in same manner hereinbefore authorised on or to (a) every Member, (b) every person entitled to a share in consequence of the death or insolvency of a member, (c) the Auditor or Auditors for the time being of the Company, and (d) Directors of the Company.
- 114) Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any share shall be bound by every document or notice in respect of such share, which previously to his name and address being entered on the Register of Members, shall have been duly served on or given to the person from whom he derives his title to such share.
- 115) A document may be served on a company or an officer thereof by sending it to the company or the officer at the registered office of the company by registered post or by speed post or by courier service or by leaving it at its registered office or by means of such electronic or other mode as may be prescribed:

Provided that where securities are held with a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic or other mode.

- 116) Any documents or notice to be served or given by the Company may be signed by a Director or some person duly authorised by the Board of Directors for such purpose and the signature thereto may be written, printed or lithographed.

23. WINDING UP

- 117) The Liquidator on any winding-up (whether voluntary, under supervision or compulsory) may, with the sanction of a Special Resolution, but subject to the rights attached to any preference share capital, divide among the contributories in specie any part of the assets of the Company and may with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit.

24. INDEMNITY AND RESPONSIBILITY

- 118) Subject to the provisions of the Act, every Director, Officer or Agent for the time being of the Company shall be indemnified out of the assets of the Company against all liability incurred by him in defending any

proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 463 of the Act in which relief is granted to him by the Court.

- 119) Every officer, auditor and agent for the time being of the Company and every trustee for the time being acting in relation to any affairs of the company shall be indemnified and secured harmless out of the assets and the profits of the company against all action, cost, charges, losses, damages and expenses which any such officer, auditor, agent or trustee may incur or sustain by reason of any contract entered into or act or thing done, concurred in or omitted by him as such officer, auditor, agent or trustee or in any way in or about the discharge of his duties or supposed duties otherwise than in respect of any negligence, default, misfeasance, breach of duty or breach of trust of which he may be guilty in relation to his company.
- 120) The heirs, executors and administrators of every one of the aforesaid officer, auditor, agents and trustees shall be entitled to the benefits of the indemnities set forth in clause (a) and (b) of this Article.

25. SECRECY

- 121) Every Director, Manager, Auditor, Treasurer, Trustee, member of a committee, officer, servant, agent, accountant, or other person employed in the business of the Company shall, if so required by the Board, before entering upon his duties sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
- 122) No member shall be entitled to visit or inspect any work of the Company without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's secret process or any other matter which is or may be in the nature of a trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

26. CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER

- 123) Subject to the provisions of the Act, —

- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
- (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

- 124) A provision of the Act or these articles 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.

27. SHAREHOLDER'S AFFIRMATIVE VOTE ITEMS

- 125) Fresh offer for and/or allot, issue, redeem, vary or repurchase or agree to allot, issue, redeem, vary or repurchase of equity shares, preference shares or any other securities (or option or right to subscribe for the same) including without limitation the terms, timing and final pricing of any initial public offer or offer for sale, or follow on offering of any offer for sale by the Company, including issuance of equity shares upon conversion of any debt or preference shares. For avoidance of doubt it is clarified that there shall be no increase or decrease in the shares of the Company without a unanimous consent of all the shareholders. It is also clarified that any such increase or decrease shall be in the proportion of the shareholding of each family group;

- 126) Entering into any action that would adversely affect the rights, preference, powers (including voting powers) and privileges of any equity shares, preference shares or any other securities;
- 127) Any alteration of, amendment to, or waiver of any provision in the Charter Documents or this Agreement;
- 128) Change of Business or the diversification of the Business of the Company;
- 129) Any reduction in the share capital of the Company either by lowering the par value of any security or by decreasing the number of securities issues, any sub-division or amalgamation of the authorised or issued Share Capital or of any rights or privileges attached to any securities or class of securities;
- 130) Any increase or decrease in the number of directors;
- 131) Any acquisition, purchase, sale, transfer licensing, sub-licensing, franchising, consulting or assigning brands or intellectual properties of the Company;
- 132) Any proposal for:
- (a) The creation of any subsidiary or the reconstruction, consolidation or reorganization of the Company;
 - (b) The amalgamation or merger of the Company with any other company or concern;
 - (c) The winding up or dissolution of the Company;
 - (d) Transfer or sale of any assets of value greater than INR 1 Crore, other than in ordinary course of business; Except transfer or sale of the investments made out of surplus funds of the Company from time to time in ordinary course of business.
- 133) Any payment of dividends or other distribution by the Company;
- 134) Any change in the name of the Company and/or registered office of the Company;
- 135) Creation or adoption of any new or additional equity option plan by the Company;
- 136) The acquisition by the Company of any share capital or other securities of any body corporate or the incorporation or setting up of a subsidiary or associated company;
- 137) The Company making any advance or loan or providing any credit to any Person except in the ordinary course of business and/or in excess of INR 1 Crore and except the investment of surplus funds of the Company from time to time.;
- 138) The Company giving any guarantee, indemnity or security in respect of the obligations of any Person in excess of INR 1 Crore;
- 139) Formation of or entry by the Company into joint venture, consortium, partnership or similar arrangement with any other Person or business;
- 140) The making by the Company of any arrangement with its creditors or debtors and the moving for insolvency, receivership or bankruptcy;
- 141) Change/Appointment of statutory auditors and internal auditors of the Company;
- 142) Adoption of annual accounts of the Company;
- 143) Any change in the Financial Year for preparation of audited accounts of the Company;
- 144) Affiliated or related party transactions, agreements or arrangements between the Company and the Shareholders or their Affiliates (excluding Oxalis Labs, Bawri Medical, Jaipur, Pharmacentre, Kolkata and Ashish Pharma, Mumbai) in excess of INR 1 Crore;

- 145) Revision of salaries/compensation paid/to be paid to the Key Managerial Personnel or any change in the terms of employment agreement of any Key Managerial Personnel or any Shareholders as the case may be;
- 146) Appointment or removal of the chief executive officer/the chief financial officer, chief operating officer and other Key Managerial Personnel and any significant changes in the terms of their employment;
- 147) Capital expenditure, including construction and leases, and indebtedness other than in ordinary course of business in excess of INR 1 Crore;
- 148) Changes to material accounting or tax policies or practices other than those required by the Applicable Laws;
- 149) Entering by the Company into any contract or arrangement (including mortgages or charges) which is not on arm's length basis (including charitable or political donations) or otherwise in the ordinary course of business in excess of INR 1 Crore;
- 150) The initiation and the subsequent conduct by the Company of any litigation, arbitration, settlement or mediation proceedings;
- 151) Creation of any Encumbrance or any sale/divestment of the Company;
- 152) Recruitment of any new Key Managerial Personnel;
- 153) Any alteration of the rights or terms of the Shares or issue of any securities to any Person which impacts the rights and/or privileges and/or obligations of the Shareholders including any transaction involving strategic fund raise; and
- 154) Establishment or amendment of any stock option plan, restricted stock plan or similar incentives which may result in the dilution of the Company's shareholding in the subsidiaries.³

³ Item 128 to 157 inserted via. Special Resolution passed by Members in their AGM dated 30.09.2019

We, the several persons, whose names, addresses and descriptions are hereunder subscribed below, are desirous of being formed into a Company in pursuance of this Articles & Association and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names :

Sr. No.	Names, description Addresses & occupation of Subscribers	Number of Shares Taken by each Subscriber	Signature	Names, Addresses, description of the Witness
1	DR. RAJENDRA AGARWAL S/o. Shri Murlidhar Bawri, 601, Gaurishankar, Dadiseth Road, Malad (W), Mumbai - 400 064. BUSINESS	ONE	Sd/-	ASHOK BANSAL S/o. Late Shri Devkinandan Bansal Chartered Accountant, 30, Baroda Street, Above Vora Steel Traders, Carnac Bunder, Mumbai - 400 009. 3rd May, 1989
2	BANWARILAL BAWRI S/o. Shri Murlidhar Bawri, 601, Gaurishankar, Dadiseth Road, Malad (W), Mumbai - 400 064. BUSINESS	ONE	Sd/-	
3	GIRDHARILAL BAWRI S/o. Shri Murlidhar Bawri, 601, Gaurishankar, Dadiseth Road, Malad (W), Mumbai - 400 064. BUSINESS	ONE	Sd/-	
4	SMT. RATNIDEVI BAWRI W/o. Shri Murlidhar Bawri, 601, Gaurishankar, Dadiseth Road, Malad (VV), Mumbai - 400 064. BUSINESS	ONE	Sd/-	
		FOUR		

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 or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of this Draft 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 have also been uploaded on the website of our Company at www.macleodspharma.com/investor, and are available for inspection from date of the Red Herring Prospectus until the Bid/ Offer Closing Date.

A. Material Contracts for the Offer

- (1) Offer Agreement dated February 15, 2022, amongst our Company, the Selling Shareholders and the BRLMs.
- (2) Registrar Agreement dated February 14, 2022, amongst our Company, the Selling Shareholders, and the Registrar to the Offer.
- (3) Escrow and Sponsor Bank Agreement dated [●] amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s), Sponsor Bank, 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 Shareholder, the BRLMs, and Syndicate Members.
- (6) Underwriting Agreement dated [●] amongst our Company, the Selling Shareholders, and the Underwriters.

B. Material Documents

- (1) Certified copies of updated MoA and AoA, amended from time to time.
- (2) Certificate of incorporation dated June 5, 1989 issued to our Company, under the name 'Macleods Pharmaceuticals Private Limited' by the RoC.
- (3) Fresh certificate of incorporation dated January 30, 1997 issued by the RoC, consequent upon change from 'Macleods Pharmaceuticals Private Limited' to 'Macleods Pharmaceuticals Limited', pursuant to conversion to a public limited company.
- (4) Resolution of the Board of Directors dated February 3, 2022 authorising the Offer and other related matters.
- (5) Resolution of the Board of Directors dated February 14, 2022 approving the DRHP.
- (6) Resolution of the IPO Committee dated February 14, 2022 approving the DRHP.
- (7) Consent letters each dated February 3, 2022 from the Selling Shareholders.
- (8) Scheme of demerger of Agarwal Holdings Private Limited from our Company as approved by the National Company Law Tribunal, Mumbai.
- (9) Shareholders' agreement dated September 5, 2019 entered into by and amongst the Company, GLB Family Shareholders, BLB Family Shareholders and DRA Family Shareholders read with Amendment Agreement dated February 14, 2022 entered into among the GLB Family Shareholders, BLB Family Shareholders and DRA Family Shareholders and the Company.

- (10) Inter-se agreement dated February 14, 2022 entered into by and among GLB Family Shareholders, BLB Family Shareholders and DRA Family Shareholders.
- (11) Consent dated February 14, 2022 from our Joint Statutory Auditors, namely, Walker Chandio & Co LLP and B.A.K.D. & Co., to include their names as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this DRHP, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of their (a) joint examination report dated February 3, 2022 on the Restated Consolidated Financial Information, (b) report dated February 12, 2022 on the statement of special tax benefits and (c) report on the compilation of Pro Forma Consolidated Financial Information dated February 9, 2022 and related notes; and such consents has not been withdrawn as on the date of this DRHP.
- (12) The examination report dated February 9, 2022 of our Joint Statutory Auditors on the Restated Financial Information, included in this Draft Red Herring Prospectus.
- (13) The statement of possible special tax benefits on direct taxes and indirect taxes each dated February 12, 2022 from our Joint Statutory Auditors.
- (14) Consents of our Directors, our Company Secretary and Compliance Officer, Legal Advisors to the Offer, Bankers to our Company, Banker(s) to the Offer, the BRLMs, Syndicate Members, and the Registrar to the Offer.
- (15) Consent letter dated January 15, 2022 from the independent chartered engineer, Prabhakar Vithal Upadhye, to include his name in this Draft Red Herring Prospectus as an “expert” as defined under Section 2(38) of the Companies Act, 2013, to the extent and in his capacity as a chartered engineer.
- (16) Consent letter dated January 31, 2022 from Ediplis Counsels as intellectual property consultant to include their name under Section 26(5) of the Companies Act, 2013 in this DRHP and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of their certificate dated January 31, 2022 on the (i) patent and trademark filings and registrations; (ii) product filings and registrations; and (iii) manufacturing facilities, research and development facilities and bio-study centres of the Company in India and certain other jurisdictions, and such consent has not been withdrawn as on the date of this DRHP.
- (17) Consent letter dated February 9, 2022 from IQVIA with respect to IQVIA Dataset.
- (18) Consent letter dated February 10, 2022 from IQVIA with respect to IQVIA Report.
- (19) Report titled “Industry Overview” dated January 25, 2022 and the IQVIA Dataset, each prepared and issued by IQVIA and commissioned for an agreed fee, exclusively for the purpose of this Offer.
- (20) Copies of annual reports of our Company for the preceding three Fiscals.
- (21) Due Diligence Certificate dated February 15, 2022 addressed to SEBI from the BRLMs.
- (22) In principle listing approvals dated [●] and [●] issued by BSE and NSE respectively.
- (23) Tripartite agreement dated February 12, 2019 amongst our Company, NSDL and the Registrar to the Offer.
- (24) Tripartite agreement dated November 18, 2021 amongst our Company, CDSL and the Registrar to the Offer.
- (25) SEBI final observation letter 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 and other relevant statutes.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

Dr. Mihir Shah (Chairman and Independent Director)	
Girdharilal Bawri (Founder Executive Director)	
Banwarilal Bawri (Founder Joint Managing Director)	
Dr. Rajendra Agarwal (Founder Managing Director)	
Arvind Sadashiv Mokashi (Independent Director)	
Vinita Mayur Danait (Independent Director)	

SIGNED BY THE CHIEF FINANCIAL OFFICER

Patri Venkat Raghavendra Rao
(Chief Financial Officer)

Place: Mumbai, Maharashtra

Date: February 15, 2022

DECLARATION

I, Girdharilal Bawri, hereby confirm and certify that all statements and undertakings specifically made or confirmed by the GLB Family Shareholders in this Draft Red Herring Prospectus in relation to ourselves, as Selling Shareholders and our portion of the Offered Shares, are true and correct. GLB Family Shareholders assume no responsibility for any other statements, disclosures and undertakings including statements made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

GIRDHARILAL BAWRI

(as an attorney holder for GLB Family Shareholders)

Place: Mumbai, Maharashtra

Date: February 15, 2022

DECLARATION

I, Banwarilal Bawri, hereby confirm and certify that all statements and undertakings specifically made or confirmed by the BLB Family Shareholders in this Draft Red Herring Prospectus in relation to ourselves, as Selling Shareholders and our portion of the Offered Shares, are true and correct. BLB Family Shareholders assume no responsibility for any other statements, disclosures and undertakings including statements made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

BANWARILAL BAWRI

(as an attorney holder for BLB Family Shareholders)

Place: Mumbai, Maharashtra

Date: February 15, 2022

DECLARATION

I, Dr. Rajendra Agarwal, hereby confirm and certify that all statements and undertakings specifically made or confirmed by the DRA Family Shareholders in this Draft Red Herring Prospectus in relation to ourselves, as Selling Shareholders and our portion of the Offered Shares, are true and correct. DRA Family Shareholders assume no responsibility for any other statements, disclosures and undertakings including statements made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

DR. RAJENDRA AGARWAL

(as an attorney holder for DRA Family Shareholders)

Place: Mumbai, Maharashtra

Date: February 15, 2022