DRAFT RED HERRING PROSPECTUS
Dated: **August 18, 2021**
(The Draft Red Herring Prospectus will be updated upon filing with the RoC)
Please read section 32 of the Companies Act, 2013
100% Book Built Offer

EMCURE PHARMACEUTICALS LIMITED

Our Company was originally incorporated as 'Emcure Pharmaceuticals Private Limited', as a private limited company under the provisions of Companies Act, 1956, pursuant to a certificate of incorporation dated April 16, 1981 issued by the Registrar of Companies, Maharashtra at Bombay. Our Company became a deemed public company under Section 43A(1A) of the Companies Act, 1956 with effect from July 1, 1993, and the word 'Private' was removed from the name of our Company and the certificate of incorporation of our Company was endorsed by the Registrar of Companies, Maharashtra at Bombay to that effect. Subsequently, our Company was converted from a deemed public company into a public company and the name of our Company was changed to 'Emcure Pharmaceuticals Limited', pursuant to a shareholders' resolution dated August 20, 2001, and a fresh certificate of incorporation was issued by the Registrar of Companies, Maharashtra at Pune on September 18, 2001. For further details, including in relation to changes in name and registered office of our Company, see "*History and Certain Corporate Matters*" on page 211.

Registered Office: Emcure House, T-184, M.I.D.C., Bhosari, Pune - 411 026, Maharashtra, India. **Tel**: +(91) 20 35010000/ 40700000 **Corporate Office**: Plot No. P2, IT-BT Park, Phase II, M.I.D.C., Hinjawadi, Pune - 411057, Maharashtra, India. **Tel:** +(91) 20 35070033 **Contact Person**: B. Renganathan, Company Secretary and Compliance Officer; **Tel**: +(91) 20 66770000 / 4070 0000
E-mail: investors@emcure.co.in; **Website**: www.emcure.com; **Corporate Identity Number**: U24231PN1981PLC024251

OUR PROMOTERS: SATISH MEHTA AND SUNIL MEHTA

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF EMCURE PHARMACEUTICALS LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●]* PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 11,000 MILLION BY OUR COMPANY (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 18,168,356 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION, INCLUDING UP TO 2,030,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY SATISH MEHTA AND UP TO 250,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY SUNIL MEHTA (THE "PROMOTER SELLING SHAREHOLDERS"), UP TO 3,735,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY THE PROMOTER GROUP SELLING SHAREHOLDERS AS SET OUT UNDER ANNEXURE A (THE "PROMOTER GROUP SELLING SHAREHOLDERS"), UP TO 9,950,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY BC INVESTMENTS IV LIMITED (THE "INVESTOR SELLING SHAREHOLDER") AND UP TO 2,203,356 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY OTHER SELLING SHAREHOLDERS AS SET OUT UNDER ANNEXURE A ("OTHER SELLING SHAREHOLDERS"), THE PROMOTER SELLING SHAREHOLDERS, PROMOTER GROUP SELLING SHAREHOLDERS, INVESTOR SELLING SHAREHOLDER AND OTHER SELLING SHAREHOLDERS, COLLECTIVELY REFERRED AS "SELLING SHAREHOLDERS" AND SUCH OFFER FOR SALE BY THE SELLING SHAREHOLDERS, THE "OFFER FOR SALE"). THIS 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 OF OUR COMPANY) FOR PURCHASE BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER AND THE NET OFFER WOULD CONSTITUTE [●] % AND [●] % OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL. OUR COMPANY IN CONSULTATION WITH THE SELLING SHAREHOLDERS AND THE GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS ("GCBRLMs") AND BOOK RUNNING LEAD MANAGER ("BRLM") (GCBRLMS AND BRLM COLLECTIVELY REFERRED TO AS "MANAGERS"), MAY OFFER A DISCOUNT OF UP TO ₹ [•] OF THE OFFER PRICE TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT").

THE FACE VALUE OF EQUITY SHARES IS ₹ 10 EACH. THE PRICE BAND AND MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE SELLING SHAREHOLDERS, AND THE MANAGERS AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL DAILY NEWSPAPER [●], ALL EDITIONS OF THE HINDI NATIONAL DAILY NEWSPAPER [●] AND [●] EDITION OF THE MARATHI 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 BSE LIMITED ("BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").
**Our Company in consultation with the Selling Shareholders and the Managers, may offer a discount of up to [●]% of the Offer Price to Eligible Employees bidding in the Employee Reservation Portion.*

OUR COMPANY IN CONSULTATION WITH THE SELLING SHAREHOLDERS AND THE MANAGERS, MAY CONSIDER UNDERTAKING A PRE-IPO PLACEMENT OF SUCH NUMBER OF EQUITY SHARES FOR A CASH CONSIDERATION AGGREGATING UP TO ₹ 2,000 MILLION BETWEEN THE DATE OF THIS DRAFT RED HERRING PROSPECTUS TILL THE FILING OF THE RED HERRING PROSPECTUS WITH THE ROC ("PRE-IPO PLACEMENT") SUBJECT TO APPROPRIATE APPROVALS. THE PRE-IPO PLACEMENT, IF UNDERTAKEN, WILL BE AT A PRICE TO BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE SELLING SHAREHOLDERS AND THE MANAGERS, AND THE PRE-IPO PLACEMENT WILL BE COMPLETED PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC. IF THE PRE-IPO PLACEMENT IS UNDERTAKEN, THE AMOUNT RAISED PURSUANT TO SUCH A PRE-IPO PLACEMENT WILL BE REDUCED FROM THE AMOUNT OF THE FRESH ISSUE, SUBJECT TO COMPLIANCE WITH RULE 19(2)(B) OF THE SCRR.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision in 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, in consultation with the Selling Shareholders and Managers, 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 a total of 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 Managers and at the terminals of the Syndicate Member(s) and by intimation to the Designated Intermediaries and the Sponsor Bank.

This is an Offer 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 through the Book Building Process in terms of Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") (the "**QIB Portion**"), provided that our Company, in consultation with the Selling Shareholders and Managers, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, out of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. 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, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis 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. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them at or above the Offer Price. All potential Bidders (except Anchor Investors) are mandatorily required to participate in the Offer through the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective ASBA accounts and UPI ID in case of RIBs using the UPI Mechanism, as applicable, pursuant to which their corresponding Bid Amount will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of the respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA Process. For further details, see "*Offer Procedure*" on page 417.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public offer of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 each. The Floor Price, Cap Price and Offer Price, 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 of our Company, nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 43.

OUR 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, that the statements specifically made or confirmed by it in this Draft Red Herring Prospectus to the extent that the statements and information specifically pertain to it and the Equity Shares offered by it under the Offer for Sale, are true and correct in all material respects and are not misleading in any material respect. Each of the Selling Shareholders, severally and not jointly, assume no responsibility for any other statement, including, inter-alia, any of the statements made by or relating to the Company or its business or any of the other Selling Shareholders

LISTING

The Equity Shares, once offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from the BSE and the NSE for listing 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 with Sections 26(4) and 32 of the Companies Act, 2013. For further details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 490.

GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS				BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE OFFER
Axis Capital Limited 1st Floor, Axis House C-2 Wadia International Centre Pandurang Budhkar Marg Mumbai 400 025 Maharashtra, India **Tel.**: +(91) 22 4325 2183 **E-mail**: emcure.ipo@axiscap.in **Investor grievance e-mail**: complaints@axiscap.in **Website**: www.axiscapital.co.in **Contact Person**: Sagar Jatakiya / Akash Aggarwal **SEBI Registration No.**: INM000012029	**BofA Securities India Limited** Ground Floor, "A" Wing One BKC, "G" Block Bandra Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India **Tel**: +(91) 22 6632 8000 **E-mail**: dg.ipo_emcure@bofa.com **Investor Grievance E-mail**: dg.india_merchantbanking@bofa.com **Contact Person**: Stuti Bansal **Website**: www.ml-india.com **SEBI Registration No.**: INM000011625	**Credit Suisse Securities (India) Private Limited** 9th Floor, Ceejay House Plot F Shivsagar Estate, Dr. Annie Besant Road Worli Mumbai 400 018 Maharashtra, India **Tel.:** + (91) 22 6777 3885 **E-mail**: list.emcureipo@credit-suisse.com **Investor Grievance E-mail:** list.igcellmer-bnkg@credit-suisse.com **Website:** https://www.credit-suisse.com/in/en/investment-banking-apac/investment-banking-in-india/ipo.html **Contact Person**: Devesh Pandey **SEBI Registration No.**: INM000011161	**JM Financial Limited***** 7th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi Mumbai 400 025 Maharashtra, India **Tel:** +(91) 22 6630 3030 **E-mail**: emcure.ipo@jmfl.com **Investor Grievance E-mail:** grievance.ibd@jmfl.com **Website**: www.jmfl.com **Contact Person**: Prachee Dhuri **SEBI Registration No.**: INM000010361	**BOB Capital Markets Limited** Parinee Crescenzo, 1704, B Wing, 17th Floor Plot no. C-38/39, G Block BKC Bandra East, Mumbai 400 051 Maharashtra , India **Tel.:** +(91) 22 6138 9300 **E-mail:** emcure.ipo@bobcaps.in **Investor grievance e-mail:** investorgrievance@bobcaps.in **Website:** www.bobcaps.in **Contact person:** Ninad Jape/Nivedika Chavan **SEBI Registration No.:** INM000009926	**Link Intime India Private Limited** C-101, 1st Floor, 247 Park L.B.S Marg, Vikhroli West Mumbai 400 083 Maharashtra, India **Tel**: +(91) 22 4918 6200 **E-mail**: emcurepharma.ipo@linkintime.co.in **Investor grievance e-mail**: emcurepharma.ipo@linkintime.co.in **Website:** www.linkintime.co.in **Contact person**: Shanti Gopalkrishnan **SEBI registration number**: INR000004058

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

** Our Company may, in consultation with the Selling Shareholders and the 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 may, in consultation with the Selling Shareholders and the 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.*

**** JM Financial Limited is an associate of our Company in terms of the SEBI Merchant Bankers Regulations. Accordingly, in compliance with the proviso to Regulation 21A of the SEBI Merchant Bankers Regulations and Regulation 23(3) of the SEBI ICDR Regulations, JM Financial Limited would be involved only in the marketing of the Offer.*

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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 implies or requires, or unless otherwise specified, shall have the meaning as assigned below. References to statutes, rules, regulations, guidelines and policies will, unless the context otherwise requires, be deemed to include all amendments, modifications and replacements notified thereto, as of the date of this Draft Red Herring Prospectus, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

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

Notwithstanding the foregoing, terms in "Industry Overview", Key Regulations and Policies", "Statement of Possible Special Tax Benefits", "Financial Statements", "Basis for Offer Price", "Outstanding Litigation and Material Developments" and "Description of Equity Shares and Terms of Articles of Association", on pages 143, 203, 138, 250, 135, 381 *and* 437, *respectively, will have the meaning ascribed to such terms in those respective sections.*

Company and Selling Shareholders related terms

Term	Description
"our Company", "the Company" or "the Issuer"	Emcure Pharmaceuticals Limited, a company incorporated under the Companies Act, 1956 and having its Registered at Emcure House, T-184, M.I.D.C., Bhosari, Pune 411 026, Maharashtra, India.
"we", "us", or "our"	Unless the context otherwise indicates or implies, refers to our Company and our Subsidiaries
"Articles" or "Articles of Association" or "AoA"	The articles of association of our Company, as amended
"Audit Committee"	The audit committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations and as described in "*Our Management*" on page 227
"Avet Life"	Avet Lifesciences Limited
"AvetAPI"	AvetAPI Inc (erstwhile Hacco Pharma Inc.)
"Board" or "Board of Directors"	The board of directors of our Company
"Chief Financial Officer"	The chief financial officer of our Company, being Tajuddin Shaikh.
"Company Secretary and Compliance Officer"	Company secretary and compliance officer of our Company, being B. Renganathan.
"Corporate Office"	Plot No. P2, IT-BT Park, Phase II, M.I.D.C., Hinjawadi, Pune - 411057, Maharashtra, India
"Corporate Social Responsibility Committee"	The corporate social responsibility committee of our Board constituted in accordance with the Companies Act, 2013 as described in "*Our Management*" on page 227
"Director(s)"	Director(s) on the Board of our Company, as appointed from time to time
"Emcure ESOS 2013"	Emcure Pharmaceuticals Limited – Employee Stock Option Scheme 2013
"Equity Shares"	Equity shares of our Company of face value of ₹10 each
"Group Companies"	Our group companies as disclosed in section "*Group Companies*" of page 246
"Heritage" or "HPI"	Heritage Pharmaceuticals Inc.
"HPHI"	Heritage Pharma Holdings Inc.
"HPL"	Heritage Pharma Labs Inc.
"Independent Director"	A non-executive, independent Director appointed as per the Companies Act, 2013 and the Listing Regulations. For further details of our Independent Directors, see "*Our Management*" on page 227
Investor Selling Shareholder	BC Investments IV Limited

Term	Description
"KMP" or "Key Managerial Personnel"	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, as disclosed in "*Our Management*" on page 227
"Managing Director and Chief Executive Officer"	The managing director and chief executive officer of our Company, being Satish Mehta.
"Marcan"	Marcan Pharmaceuticals Inc.
"Material Subsidiaries"	Gennova Biopharmaceuticals Limited, Zuventus Healthcare Limited and Marcan Pharmaceuticals Inc. However, for the purpose of the Statement of Possible Special Tax Benefits, only Zuventus Healthcare Limited is considered as a material subsidiary.
"Materiality Policy"	The materiality policy of our Company adopted pursuant to a resolution of our Board of Directors dated August 12, 2021 for identification of the material (a) outstanding litigation proceedings; (b) group companies; and (c) creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in this Draft Red Herring Prospectus
"Memorandum" or "Memorandum of Association" or "MoA"	The memorandum of association of our Company, as amended
NCLT, Mumbai	National Company Law Tribunal, Mumbai Bench
"Nomination and Remuneration Committee"	The nomination and remuneration committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations, and as described in "*Our Management*" on page 227
"Non-Executive Director(s)"	A Director, not being a Whole-time Director
"Other Selling Shareholders"	Persons listed under **Annexure A**.
"Pre-IPO Placement"	Our Company, in consultation with the Selling Shareholders and the Managers, may consider a Pre-IPO Placement of Equity Shares for a cash consideration aggregating up to ₹2,000 million subject to appropriate approvals. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the Selling Shareholders and the Managers, and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.
"Proforma Condensed Consolidated Financial Information"	The proforma condensed consolidated financial information of the Company comprises of the proforma balance sheet as at March 31, 2021, March 31, 2020 and March 31, 2019 and the proforma statement of profit and loss for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, read with the notes to the proforma financial information and accounting policies consistently followed in all the period presented in the proforma financial statements.
"Promoter Group"	Such individuals and entities which constitute the promoter group of our Company pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations. For further details, see "*Our Promoters and Promoter Group*" on page 243
Promoter Group Selling Shareholders	Persons listed under **Annexure A**
"Promoter Selling Shareholders"	Satish Mehta and Sunil Mehta
"Promoters"	Promoters of our Company namely, Satish Mehta and Sunil Mehta. For further details, see "*Our Promoters and Promoter Group*" on page 243
"Registered Office"	The registered office of our Company situated at Emcure House, T-184, M.I.D.C., Bhosari, Pune 411 026, Maharashtra, India
"Registrar of Companies" or "RoC"	Registrar of Companies, Maharashtra at Pune
"Restated Consolidated Financial Statements"	Restated consolidated financial statements of our Company, comprising the Restated Consolidated Summary Statement of Assets and Liabilities as at, March 31, 2021, 2020 and 2019 and Restated Consolidated Financial Statements of Profit and Loss (including Other Comprehensive Income), and Restated Consolidated Summary Cash Flows and Restated Consolidated Summary Statement of Changes in Equity for the years ended March 31, 2021, 2020 and 2019, the consolidated summary statement of Significant

Term	Description
	accounting policies, and other explanatory information of our Company, prepared by the Company in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, relevant provisions of the SEBI ICDR Regulations, and the Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the ICAI
"Resulting Company"	Avet Lifesciences Limited
"Selling Shareholders"	Collectively, Promoter Selling Shareholders, Promoter Group Selling Shareholders, Investor Selling Shareholder and Other Selling Shareholders
"SHA"	Shareholders' Agreement dated December 18, 2013 amongst our Company, Satish Mehta, Namita Thapar, Samit Mehta, Bhavana Mehta, Vikas Thapar, Pushpa Mehta, Sunil Mehta, Sanjay Mehta, Kamini Mehta, Sonali Mehta, Rutav Mehta, Rajnikant Mehta, Anvi Mehta, Manan Mehta, Niraj Mehta and BC Investments IV Limited, amended by way of the amendment agreements dated November 9, 2020 and July 27, 2021.
"Shareholder(s)"	The equity shareholders of our Company whose names are entered into (i) the register of members of our Company; or (ii) the records of a depository as a beneficial owner of Equity Shares
"Stakeholders' Relationship Committee"	The stakeholders' relationship committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations, as described in "*Our Management*" on page 227
"Statutory Auditor"	The statutory auditor of our Company, being B S R & Co. LLP, Chartered Accountants
"Subsidiaries"	Subsidiaries, as described in "*Our Subsidiaries*" on page 218
"Tillomed"	Tillomed Laboratories Limited
"TPG"	Tillomed Pharma GmbH, Germany
"Whole-time Director"	Whole-time director(s) of our Company. For further details of the Whole-time Director, see "*Our Management*" on page 227

Offer Related Terms

Term	Description
"Acknowledgement Slip"	The slip or document issued by relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
"Allotment", "Allot" or "Allotted"	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of Offered Shares pursuant to the Offer for Sale to the successful Bidders
"Allotment Advice"	A note or advice or intimation of Allotment, sent to each successful Bidder who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment 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 Anchor Investors during the Anchor Investor Bid/Offer Period in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the Selling Shareholders and the Managers
"Anchor Investor Application Form"	Form used by an Anchor Investor to 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 Managers will not accept any Bids from Anchor Investor, and allocation to Anchor Investors shall be completed
"Anchor Investor Offer Price"	The final price at which the Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company in consultation with the Selling Shareholders and the Managers
"Anchor Investor Pay –	With respect to Anchor Investor(s), the Anchor Investor Bidding Date, and, in the event

Term	Description
in Date"	the Anchor Investor Allocation Price is lower than the Offer Price a date being, not later than two Working Days after the Bid/Offer Closing Date
"Anchor Investor Portion"	Up to 60% of the QIB Portion, which may be allocated by our Company, in consultation with the Selling Shareholders and the Managers, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
"Applications 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 ASBA Account and will include applications made by RIBs using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by RIBs using the UPI Mechanism
"ASBA Account"	A bank account maintained with an SCSB, , as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes a bank account maintained by an RIB linked to a UPI ID which is blocked upon acceptance of a UPI Mandate Request made by the RIBs using the UPI Mechanism
"ASBA Bidder"	All Bidders except Anchor Investors
"ASBA Form"	An application form, whether physical or electronic, used by ASBA Bidders, to submit Bids through the ASBA process, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
"Axis Capital"	Axis Capital Limited
"Banker(s) to the Offer"	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Public Offer Account Bank(s) and the Sponsor Bank
"Basis of Allotment"	The basis on which the Equity Shares will be Allotted to successful Bidders under the Offer, as described in "*Offer Procedure*" on page 417
"Bid"	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor, pursuant to the submission of a Bid cum 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. The term "Bidding" shall be construed accordingly
"Bidder"	Any investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form, and unless otherwise stated or implied, includes an Anchor Investor
"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 RIBs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid. However, Eligible Employees applying in the Employee Reservation Portion can apply at the Cut-off Price and the Bid amount will be the Cap Price net of Employee Discount, multiplied by the number of Equity Shares Bid for by such Eligible Employee and mentioned in the Bid cum Application Form
"Bidding Centres"	Centres at which the Designated Intermediaries shall accept the ASBA Forms, *i.e.*, 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
"Bid cum Application Form"	Anchor Investor Application Form or the ASBA Form, as the context requires
"Bid Lot"	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
"Bid/Offer Closing Date"	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in all editions of the English daily national newspaper [●], all editions of the Hindi national daily newspaper [●] and [•] edition of the Marathi newspaper [●] (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation

Term	Description
	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 Managers and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations Our Company, in consultation with the Selling Shareholders and the 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 Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids for the Offer, which shall also be notified in all editions of English national daily newspaper [●], all editions of Hindi national daily newspaper [●] and [●] edition of the Marathi newspaper [●] (Marathi being the regional language of Maharashtra, where our Registered Office is located), which are widely circulated English, Hindi and Marathi newspapers, respectively
"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 prospective Bidders can submit their Bids, including any revisions thereto, in accordance with the SEBI ICDR Regulations and in terms of the Red Herring Prospectus. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors. Our Company may, in consultation with the Selling Shareholders and the Managers, consider closing the Bid/Offer Period for the QIB Category one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. The Bid/Offer Period will comprise of Working Days only
"Book Building Process"	The book building process as described in Part A, Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
"Book Running Lead Manager" or "BRLM"	The book running lead manager to the Offer, namely BOB Capital Markets Limited
"Broker Centre"	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), and updated from time to time
"CAN" or "Confirmation of Allocation Note"	The note or advice or intimation of allocation of the Equity Shares sent to Anchor Investors who have been allocated Equity Shares on / after the Anchor Investor Bidding Date
"Cap Price"	The higher end of the Price Band, *i.e.* ₹ [●] per Equity Share, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted, including any revisions thereof
"Cash Escrow and Sponsor Bank Agreement"	Agreement to be entered into and amongst our Company, the Selling Shareholders, the Registrar to the Offer, the Managers, the Syndicate Members, the Escrow Collection Bank(s), Public Offer Bank(s), Sponsor Bank and Refund Bank(s) in accordance with UPI Circulars, for *inter alia*, the appointment of the Sponsor Bank in accordance, for the collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof
"Circular on Streamlining of Public Issues"/ "UPI Circular"	Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, circular (SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M) dated March 16, 2021, circular (SEBI/HO/CFD/DIL1/CIR/P/2021/47) dated March 31, 2021, circular

Term	Description
	(SEBI/HO/CFD/DIL2/P/CIR/2021/570) dated June 2, 2021 and any subsequent circulars or notifications issued by SEBI in this regard
"Client ID"	Client identification number maintained with one of the Depositories in relation to the 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 circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI, as per the list available on the websites of BSE and NSE, as updated from time to time
"Cut-off Price"	The Offer Price, as finalised by our Company in consultation with the Selling Shareholders and the Managers which shall be any price within the Price Band. Only Retail Individual Bidders Bidding in the Retail Portion and Eligible Employees Bidding under the Employee Reservation Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
"Demographic Details"	Details of the Bidders including the Bidder's address, name of the Bidder's father/ husband, investor status, occupation and bank account details and UPI ID, where applicable
"Designated CDP Locations"	Such locations of the CDPs where Bidders can submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com), and updated from time to time
"Designated Date"	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Public Offer Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of RIBs using the 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 or the Refund Account, as the case may be, in terms of the Red Herring Prospectus and the Prospectus after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares will be Allotted in the Offer
"Designated Intermediaries"	In relation to ASBA Forms submitted by RIBs (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, Eligible Employees, Designated Intermediaries shall mean Syndicate, Sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs
"Designated RTA Locations"	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs, a list of which, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), and updated from time to time
"Designated SCSB Branches"	Such branches of the SCSBs which shall collect ASBA Forms, a list of which is available on the website of the SEBI at (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time, and at such other websites as may be prescribed by SEBI from time to time
"Designated Stock Exchange"	[●]
"Draft Red Herring Prospectus" or "DRHP"	This draft red herring prospectus dated August 18, 2021, filed with SEBI and Stock Exchanges and issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the Offer, including the price at which the Equity Shares are Offered and the size of the Offer, and includes any addenda or corrigenda thereto
"Eligible Employee(s)"	All or any of the following: (a) a permanent employee of our Company or its Subsidiaries (excluding such employees who are not eligible to invest in the Offer

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	under applicable laws) 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, until the submission of the Bid cum Application Form; and (b) a Director of our Company, 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, until the submission of the Bid cum Application Form, but not including (i) Promoters, (ii) a person belonging to the Promoter Group; or (iii) Directors who either themselves or through their relatives or through any body corporate, directly or indirectly, hold more than 10% of the outstanding Equity Shares of our Company. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000 (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 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)
"Eligible FPIs"	FPIs 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 offered thereby
"Eligible NRIs"	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"	Our Company in consultation with the Selling Shareholders and the Managers, may offer a discount of up to [●]% to the Offer Price (equivalent of ₹ [●] per Equity Share) to Eligible Employees and which shall 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 up to ₹ [●] million available for allocation to Eligible Employees, on a proportionate basis. Such portion shall not exceed 5% of the post- Offer Equity Share capital of our Company.
"Escrow Account(s)"	Account(s) opened with the Escrow Collection Bank(s) and in whose favour Anchor Investors will transfer money through direct credit/ NEFT/ RTGS/NACH in respect of Bid Amounts when submitting a Bid
"Escrow Collection Bank(s)"	The banks which are clearing members and registered with SEBI as bankers to an issue under the BTI Regulations, and with whom the Escrow Account(s) will be opened, in this case being [●]
"First 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 shall also appear as the first holder of the beneficiary account held in joint names
"Floor Price"	The lower end of the Price Band, *i.e.* ₹ [●] subject to any revision(s) thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids, will be accepted and which shall not be less than the face value of the Equity Shares
"Fresh Issue"	The fresh issue component of the Offer comprising of an issuance of up to [•] Equity Shares at ₹[•] per Equity Share (including a share premium of ₹[•] per Equity Share) aggregating up to ₹ 11,000 million by our Company. Our Company, in consultation with the Selling Shareholders and the Managers, may consider a Pre-IPO Placement of Equity Shares for a cash consideration aggregating up to ₹2,000 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the Selling Shareholders and the Managers, and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to

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	compliance with Rule 19(2)(b) of the SCRR
"Global Co-ordinators and Book Running Lead Managers" or "GCBRLMs"	The global co-ordinators and book running lead managers to the Offer, namely Axis Capital Limited, BofA Securities India Limited, Credit Suisse Securities (India) Private Limited, and JM Financial Limited.
"General Information Document" or "GID"	The General Information Document for investing in public offers, prepared and issued by SEBI, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and Managers
"Gross Proceeds"	The Offer Proceeds, less the amount to be raised with respect to the Offer for Sale
"Managers"	GCBRLMs and BRLM
"Monitoring Agency"	[●]
"Monitoring Agency Agreement"	Agreement to be entered into between our Company and the Monitoring Agency
"Mutual Fund"	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
"Mutual Fund Portion"	Up to 5% of the Net QIB Portion, or [●] Equity Shares, which shall be available for allocation to Mutual Funds only, on a proportionate basis, subject to valid Bids being received at or above the Offer Price
"Net Offer"	The Offer less the Employee Reservation Portion
"Net Proceeds"	The Gross Proceeds less our Company's share of the Offer-related expenses applicable to the Fresh Issue. For further details about use of the Net Proceeds and the Offer related expenses, see "*Objects of the Offer*" on page 127
"Net QIB Portion"	QIB Portion, less the number of Equity Shares Allotted to the Anchor Investors
"Non-Institutional Investors" or "NII(s)" or "Non-Institutional Bidders" or "NIB(s)"	All Bidders, that are not QIBs or Retail Individual Bidders 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 Net Offer being not less than 15% of the Net Offer, consisting of [●] Equity Shares, which shall be available for allocation to Non-Institutional Investors on a proportionate basis, subject to valid Bids being received at or above the Offer Price
"Non-Resident" or "NR"	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
"Offer"	Initial public offering of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] million consisting of a Fresh Issue of [●] Equity Shares aggregating up to ₹ 11,000 million by our Company and an offer for sale of up to 18,168,356 Equity Shares aggregating up to ₹ [●] million, comprising an offer for sale of up to 2,280,000 Equity Shares aggregating up to ₹ [●] million by the Promoter Selling Shareholders, up to 3,735,000 Equity Shares aggregating up to ₹ [●] million by the Promoter Group Selling Shareholders, up to 9,950,000 Equity Shares aggregating up to ₹ [●] million by the Investor Selling Shareholder and up to 2,203,356 Equity Shares aggregating up to ₹ [●] million by the Other Selling Shareholders. The Offer comprises the Net Offer and Employee Reservation Portion. Our Company in consultation with the Selling Shareholders and the Managers, may consider a Pre-IPO Placement of Equity Shares for a cash consideration aggregating up to ₹2,000 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the Selling Shareholders and the Managers, and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR
"Offer Agreement"	The agreement dated August 18, 2021 entered amongst our Company, the Selling Shareholders and the Managers, pursuant to the SEBI ICDR Regulations, based on which certain arrangements are agreed to in relation to the Offer
"Offer for Sale"	The offer for sale of up to 18,168,356 Equity Shares aggregating up to ₹ [●] million, including up to 2,280,000 Equity Shares aggregating up to ₹ [●] million by the

Term	Description
	Promoter Selling Shareholders, up to 3,735,000 Equity Shares aggregating up to ₹ [●] million by the Promoter Group Selling Shareholders, up to 9,950,000 Equity Shares aggregating up to ₹ [●] million by the Investor Selling Shareholder and up to 2,203,356 Equity Shares aggregating up to ₹ [●] million by the Other Selling Shareholders.
"Offer Price"	The final price at which the Equity Shares will be Allotted to successful Bidders other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus. The Offer Price will be decided by our Company in consultation with the Selling Shareholders and the Managers, in accordance with the Book Building Process on the Pricing Date and in terms of the Red Herring Prospectus. A discount of up to [●]% on 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 in consultation with the Selling Shareholders and the Managers.
"Offer Proceeds"	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to the Selling Shareholders. For further information about use of the Offer Proceeds, see "*Objects of the* Offer" on page 127
"Offered Shares"	The Equity Shares being offered by (i) the Promoter Selling Shareholders as part of the Offer for Sale comprising of an aggregate of up to 2,280,000 Equity Shares, (i) the Promoter Group Selling Shareholders as part of the Offer for Sale comprising of an aggregate of up to 3,735,000 Equity Shares, (i) the Investor Selling Shareholder as part of the Offer for Sale comprising of an aggregate of up to 9,950,000 Equity Shares, and (ii) Other Selling Shareholders as part of the Offer for Sale comprising of an aggregate of up to 2,203,356 Equity Shares.
"Price Band"	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum Price of ₹ [●] per Equity Share (Cap Price) and includes revisions thereof, if any The Price Band and the minimum Bid Lot for the Offer will be decided by our Company in consultation with the Selling Shareholders and the Managers, and will be advertised in all editions of an English national daily newspaper [●], all editions of a Hindi national daily newspaper [●] and [•] edition of the Marathi 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, with the relevant financial ratios calculated at the Floor Price and at the Cap Price and shall be made available to the Stock Exchange for the purpose of uploading on their respective websites
"Pricing Date"	The date on which our Company in consultation with the Selling Shareholders and the Managers, will finalise the Offer Price
"Prospectus"	The prospectus to be filed with the RoC, in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations containing, amongst other things, 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(s)"	Bank account to be opened in accordance with the provisions of the Companies Act, 2013, with the Public Offer Account Bank(s) to receive money from the Escrow Accounts and from the ASBA Accounts on the Designated Date
"Public Offer Account Bank(s)"	The banks which are clearing members and registered with SEBI under the BTI Regulations, with whom the Public Offer Account(s) will be opened, in this case being [●]
"QIB Portion"	The portion of the Net Offer (including the Anchor Investor Portion) being not more than 50% of the Net Offer, consisting of [●] Equity Shares which shall be allocated to QIBs, including the Anchor Investors (which allocation shall be on a discretionary basis, as determined by our Company in consultation with the Selling Shareholders and the Managers up to a limit of 60% of the QIB Portion) subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price
"Qualified Institutional Buyers" or "QIBs"	A qualified institutional buyer, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations

Term	Description
"Red Herring Prospectus" or "RHP"	The red herring prospectus to be issued by our Company in accordance with section 32 of the Companies Act, 2013 and the provisions of 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 on or after the Pricing Date
"Refund Account(s)"	The 'no-lien' and 'non-interest bearing' account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made
"Refund Bank(s)"	The Banker(s) to the Offer with whom the Refund Account(s) will be opened, in this case being [●]
"Registered Broker"	Stock brokers registered with the stock exchanges having nationwide terminals other than the members of the Syndicate, and eligible to procure Bids in terms of the circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
"Registrar Agreement"	The agreement dated August 16, 2021 entered into amongst our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
"Registrar and Share Transfer Agents" or "RTAs"	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the lists available on the website of BSE and NSE, and the UPI Circulars
"Registrar" or "Registrar to the Offer"	Link Intime India Private Limited
"Resident Indian"	A person resident in India, as defined under FEMA
"Retail Individual Bidders" or "RIB(s)" or "Retail Individual Investors" or "RII(s)"	Individual Bidders (including HUFs applying through their karta and Eligible NRIs and does not include NRIs other than Eligible NRIs) who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the Bidding options in the Net Offer
"Retail Portion"	The portion of the Net Offer being not less than 35% of the Net Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price
"Revision Form"	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) 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 Bidding in the Retail Portion 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
"Self Certified Syndicate Bank(s)" or "SCSB(s)"	The banks registered with SEBI, offering services: (a) in relation to ASBA (other than using the 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 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable or such other website as may be prescribed by SEBI from time to time; and (b) in relation to ASBA (using the 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=40, or such other website as may be prescribed by SEBI from time to time Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is provided as Annexure 'A' to the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The said list is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43, as updated from time to time

Term	Description
"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
"Share Escrow Agent"	Escrow agent to be appointed pursuant to the Share Escrow Agreement, namely [●]
"Share Escrow Agreement"	The agreement to be entered into amongst our Company, the Selling Shareholders, and the Share Escrow Agent for deposit of the Equity Shares offered by the Selling Shareholders in escrow.
"Sponsor Bank"	The Banker to the Offer registered with SEBI which is appointed by the Company to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the mandate collect requests and / or payment instructions of the RIBs into the UPI Mechanism and carry out any other responsibilities in terms of the UPI Circulars, the Sponsor Bank in this case being [●]
"Stock Exchange(s)"	Collectively, BSE Limited and National Stock Exchange of India Limited
"Syndicate Agreement"	Agreement to be entered into among the Company, the Selling Shareholders, the Managers, and the Syndicate Members in relation to collection of Bid cum Application Forms by Syndicate.
"Syndicate Members"	Intermediaries (other than Managers) registered with SEBI who are permitted to accept bids, application and place orders with respect to the Offer and carry out activities as an underwriter namely, [●]
"Syndicate" or "members of the Syndicate"	Together, the Managers and the Syndicate Members
"Systemically Important Non-Banking Financial Company" or "NBFC-SI"	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
"Underwriters"	[●]
"Underwriting Agreement"	The agreement to be entered into amongst the Underwriters, the Selling Shareholders and our Company on or after the Pricing Date, but prior to filing of the Prospectus
"UPI"	Unified Payments Interface, which is an instant payment mechanism developed by NPCI
"UPI ID"	ID created on 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 directing the RIB to such UPI application) to the RIB using the UPI Mechanism initiated by the Sponsor Bank to authorise blocking of funds in the relevant ASBA Account through the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment In accordance with the 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, RIBs 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
"UPI Mechanism"	The mechanism that may be used by an RIB to make a Bid in the Offer in accordance with the UPI Circulars
"UPI PIN"	Password to authenticate UPI transaction
"Wilful Defaulter"	A wilful defaulter, as defined under the SEBI ICDR Regulations
"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, "Working Day" shall mean all days except Saturday, Sunday 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 Stock Exchanges, excluding Sundays and bank holidays, as per the circular issued by SEBI from time to time

Technical/Industry Related Terms/Abbreviations

Term	Description
"AAEC"	Adverse effect on competition, as defined under the Competition Act
"Adjusted EBIT"	Adjusted EBIT is calculated as profit for the period / year plus total tax expense, finance costs and exceptional items. Adjusted EBIT is a Non-GAAP Measure. For a reconciliation of Adjusted EBIT, see "*Other Financial Information*" on page 341
"Adjusted EBITDA"	Adjusted EBITDA is calculated as profit for the period / year plus total tax expenses, depreciation and amortization expenses, finance costs and exceptional items. Adjusted EBITDA is a Non-GAAP Measure For a reconciliation of Adjusted EBITDA, see "*Other Financial Information*" on page 341
"Adjusted EBITDA Margin"	Adjusted EBITDA Margin is the percentage of Adjusted EBITDA divided by total income. Adjusted EBITDA Margin is a Non-GAAP Measure. For a reconciliation of Adjusted EBITDA Margin, see "*Other Financial Information*" on page 341
"Air Act"	Air (Prevention and Control of Pollution) Act, 1981
"ANDA"	Abbreviated New Drug Application
"API"	Active pharmaceutical ingredient
"CAGR"	Compounded Annual Growth Rate (as a %): (End Year Value/ Base Year Value) ^ (1/No. of years between Base year and End year) –1 [^ denotes 'raised to']
"Capital Employed"	Capital Employed is total of Equity Share Capital and Net Debt. Capital Employed is a Non-GAAP Measure. For a reconciliation of Capital Employed, see "Other Financial Information" on page 341
"CCI"	Competition Commission of India
"CDSCO"	Central Drugs Standard Control Organisation
"Civil Procedure Code"	Code of Civil Procedure, 1908, as amended
"Competition Act"	The Competition Act, 2002, as amended
"CRISIL"	CRISIL Research
"CRISIL Report"	Report titled "Assessment of the global and Indian pharmaceuticals industry" dated August 2021 prepared by CRISIL
"CSR"	Corporate social responsibility
"CTD"	Common technical document
"DPA"	Deferred Prosecution Agreement
"DOJ"	U.S. Department of Justice
"DPCO 2013"	Drug Prices Control Order, 2013
"DMF"	Drug Master File
"Drugs and Cosmetics Act"	The Drugs and Cosmetics Act, 1940
"DSIR"	The Department of Scientific and Industrial Research in India
"DWPE"	Detention Without Physical Examination
"EBITDA"	Earnings before interest, taxes, depreciation and amortisation. EBITDA is a Non-GAAP Measure. For a reconciliation of EBITDA, see "*Other Financial Information*" on page 341
"EBITDA Margin"	EBITDA during a given period as a percentage of total income during that period. EBITDA Margin is a Non-GAAP Measure. For a reconciliation of EBITDA Margin, see "*Other Financial Information*" on page 341
"ECL"	Expected credit loss
"EGM"	Extraordinary General Meeting.
"EHS"	Environmental, health and safety
"ESG"	Environmental, social and governance

Term	Description
"Environment Act"	Environment (Protection) Act, 1986
"FSSAI"	Food Safety and Standards Authority of India
"FVTPL"	Fair value through profit and loss
"Hazardous Wastes Rules"	Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
"Indian Income Tax Act"	Income Tax Act 1961, as amended
"Legal Metrology Department"	A department established under the Legal Metrology Act, 2009
"MAT"	Moving annual total
"MCLR"	Marginal cost of funds based lending rate
"MEIS"	Merchandise Export Incentive Scheme
"Monetary Asset"	Monetary assets mean cash and cash equivalents and other bank balances (including non-current bank deposits and non-current margin deposits).
"NCD"	Non-convertible debenture
"Net Worth"	The aggregate of share capital and other equity attributable to the owners of our Company. Net Worth is a Non-GAAP Measure. For a reconciliation of Net Worth, see "*Other Financial Information*" on page 341
"Net Asset Value" or "NAV"	Net Asset Value is the restated total equity attributable to owners of the Company. Net Asset Value is a Non-GAAP Measure. For a reconciliation of Net Asset Value, see "*Other Financial Information*" on page 341
"Net Asset Value per Equity Share"	Net asset value per equity share is calculated by dividing total equity attributable to owners of the Company by the number of equity shares outstanding at the end of the year. Net Asset Value per Equity Share is a Non-GAAP Measure. For a reconciliation of Net Asset Value per equity share, see "*Other Financial Information*" on page 341
"Net Tangible Assets"	Net Tangible assets means the sum of all the assets of the Company excluding Goodwill, Intangible assets and right of use assets reduced by total liabilities excluding deferred tax liabilities (net) of the Company. Net Tangible assets is a Non-GAAP Measure. For a reconciliation of Net Tangible assets, see "*Other Financial Information*" on page 341
"Net Debt"	Net Debt is calculated as total borrowings less cash and cash eqvivalents and term debosits with banks (current and non-current). Net Debt is a Non-GAAP Measure. For a reconciliation of Net Debt, see "*Other Financial Information*" on page 341
"NLEM"	The National List of Essential Medicines – 2011
"NPA"	Non-Prosecution Agreement
"NPPA"	The National Pharmaceutical Pricing Authority
"Operating Profit"	Profit before tax for the year excluding other income and finance costs. For further details, see "*Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation*" on page 20
"PAT Margin"	PAT Margin is calculated by dividing our profit for the year by total income during that period, and is expressed as a percentage. For a reconciliation of PAT Margin, see "*Other Financial Information*" on page 341
"Return on Capital Employed" or "RoCE"	RoCE is calculated by dividing our Adjusted EBIT during a given period by Capital Employed (total equity plus net debt) as on the end of that period. RoCE is a Non-GAAP Measure. For a reconciliation of RoCE, see "*Other Financial Information*" on page 341
"Return on Equity" or "RoE"	RoE is equal to profit for the year divided by total equity of our Company at the end of the period, and is expressed as a percentage.

Term	Description
	For a reconciliation of RoE, see "*Other Financial Information*" on page 341
"Return on Net Worth" or "RoNW"	Calculated as restated consolidated profit attributable to owners of the Company for the year of the Company divided by Restated total equity attributable to owners of the Company at the end of the period / year. RoNW is a Non-GAAP Measure. For a reconciliation of Return on Net Worth, see "*Other Financial Information*" on page 341
"R&D"	Research and development
"STT"	Securities transaction tax
"Total Borrowings"	Calculated as sum of Non-current borrowing (including current maturities) and current borrowing but excluding transaction cost.
"TPA"	Tonnes per annum
"TPD"	Tonnes per day
"USFDA"	U.S. Food and Drug Administration
"Water Act"	Water (Prevention and Control of Pollution) Act, 1974
"WHO"	World Health Organization
"ZLD"	Zero Liquid Discharge

Conventional and General Terms or Abbreviations

Term	Description
"AIFs"	Alternative investment funds as defined in and registered under the AIF Regulations
"AIF Regulations"	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
"AS"	Accounting standards issued by the Institute of Chartered Accountants of India, as notified from time to time
"BSE"	BSE Limited
"BTI Regulations"	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
"Calendar Year" or "year"	Unless the context otherwise requires, shall refer to the twelve month period ending December 31
"Category I AIF"	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
"Category II AIF"	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
"Category I FPIs"	FPIs who are registered as "Category I Foreign Portfolio Investors" under the SEBI FPI Regulations
"Category II FPIs"	FPIs who are registered as "Category II Foreign Portfolio Investors" under the SEBI FPI Regulations
"Category III AIF"	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
"CDSL"	Central Depository Services (India) Limited
"CFO"	Chief Financial Officer
"Companies Act, 1956"	*Erstwhile* Companies Act, 1956 along with the relevant rules made thereunder
"Companies Act" / "Companies Act, 2013"	Companies Act, 2013, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder, as amended to the extent currently in force
"Depositories Act"	Depositories Act, 1996
"Depository" or "Depositories"	NSDL and CDSL
"DIN"	Director Identification Number
"DP" or "Depository Participant"	A depository participant as defined under the Depositories Act
"DP ID"	Depository Participant's Identification Number
"EPS"	Earnings per share
"FDI"	Foreign direct investment
"FDI Policy"	The consolidated FDI policy, effective from October 15, 2020, issued by the Department

Term	Description
	for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India *(earlier known as the Department of Industrial Policy and Promotion*)
"FEMA"	Foreign Exchange Management Act, 1999, including the rules and regulations thereunder
"FEMA Rules"	Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
"FEMA Regulations"	Foreign Exchange Management (Transfer of Issue of Security by a Person Resident outside India) Regulations, 2017
"Financial Year", "Fiscal", "FY" or "F.Y."	Period of twelve months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular year, unless stated otherwise
"FIR"	First information report
"FPI(s)"	Foreign Portfolio Investor, as defined under the FPI Regulations
"FPI Regulations"	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
"FIPB"	The erstwhile Foreign Investment Promotion Board
"FVCI"	Foreign venture capital investors, as defined and registered with SEBI under the FVCI Regulations
"Fugitive Economic Offender"	A fugitive economic offender as defined under the Fugitive Economic Offenders Act, 2018
"FVCI Regulations"	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
"GDP"	Gross domestic product
"GoI" or "Government" or "Central Government"	Government of India
"GST"	Goods and services tax
"HUF"	Hindu undivided family
"IAS Rules"	Companies (Indian Accounting Standards) Rules, 2015, as amended
"ICAI"	The Institute of Chartered Accountants of India
"ICSI"	The Institute of Company Secretaries of India
"IFRS"	International Financial Reporting Standards of the International Accounting Standards Board
"India"	Republic of India
"Ind AS" or "Indian Accounting Standards"	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with IAS Rules
"Ind AS 24"	Indian Accounting Standard 24, "Related Party Disclosures", notified by the Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013 read with IAS Rules
"Ind AS 37"	Indian Accounting Standard 37, "Provisions, Contingent Liabilities and Contingent Assets", notified by the Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013 read with IAS Rules
"IGAAP" or "Indian GAAP"	Accounting standards notified under section 133 of the Companies Act, 2013, read with Companies (Accounting Standards) Rules, 2006, as amended) and the Companies (Accounts) Rules, 2014, as amended
"Insider Trading Regulations"	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
"IPO"	Initial public offer
"IST"	Indian standard time
"IT Act"	The Income Tax Act, 1961
"IT"	Information technology
"Listing Agreement"	The equity listing agreement to be entered into by our Company with each of the Stock Exchanges
"Listing Regulations"	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
"MCA"	Ministry of Corporate Affairs, Government of India
"MICR"	Magnetic ink character recognition
"Mn" or "mn"	Million
"N.A." or "NA"	Not applicable

Term	Description
"NAV"	Net asset value
"NBFC"	Non-Banking Financial Company
"NECS"	National electronic clearing service
"NEFT"	National electronic fund transfer
"N.I. Act"	The Negotiable Instruments Act, 1881
"NPCI"	National Payments Corporation of India
"NRE Account"	Non-resident external account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
"NRI" or "Non-Resident Indian"	Non-Resident Indian as defined under the FEMA Regulations
"NRO Account"	Non-resident ordinary account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
"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 the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Offer
"P/E Ratio"	Price/earnings ratio
"PAN"	Permanent account number allotted under the Income Tax Act, 1961
"RBI"	Reserve Bank of India
"Regulation S"	Regulation S under the U.S. Securities Act
"RONW"	Return on Net Worth
"Rs." or "Rupees" or "₹" or "INR"	Indian Rupees
"RTGS"	Real time gross settlement
"Rule 144A"	Rule 144 A 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 ICDR Regulations"	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
"SEBI Merchant Bankers Regulations"	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
"SEBI SBEB Regulations"	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2014
"SBEB Regulations 2021"	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
"State Government"	Government of a State of India
"Takeover Regulations"	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
"U.S.A"/ "U.S."/ "United States"	The United States of America and its territories and possessions, including any state of the United States of America, Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands and the District of Columbia
"USD" or "US$"	United States Dollars
"U.S. GAAP"	Generally Accepted Accounting Principles in the United States of America
"U.S. Securities Act"	United States Securities Act of 1933, as amended
"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

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

Certain Conventions

All references to "India" in this Draft Red Herring Prospectus are to the Republic of India and its territories and possession 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.

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 requires otherwise, the financial information and financial ratios in this Draft Red Herring Prospectus have been derived from our Restated Consolidated Financial Statements.

We have also included our Proforma Condensed Consolidated Financial Information in this Draft Red Herring Prospectus.

Our Restated Consolidated Financial Statements are prepared by the Company in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, relevant provisions of the SEBI ICDR Regulations, and the Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time.

The Proforma Condensed Consolidated Financial Information has been prepared to demonstrate the effects of the demerger on our Company, including the results on operations and the financial position that would have resulted as if the demerger had taken place at the earliest of the periods presented in the Proforma Condensed Consolidated Financial Information, *i.e.* April 1, 2018.

Because of their nature, the Proforma Condensed Consolidated 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 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 our Company.

Further see, "*Risk Factors –Internal Risk Factors – Risks Related to Our Business - The Proforma Condensed Consolidated Financial Information included in this Draft Red Herring Prospectus to reflect the De-merger of our U.S. operations 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 page 72*"*

For further information on our Company's financial information, see "*Financial Statements*" on page 250.

Our Company's financial year commences on April 1 and ends on March 31 of the next year; accordingly, all references to a particular financial year, unless stated otherwise, are to the 12 month period ended on March 31 of that calendar year. Reference in this Draft Red Herring Prospectus to the terms Fiscal or Fiscal Year or Financial Year is to the 12 months ended on March 31 of such year, unless otherwise specified.

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, Ind AS, the Companies Act and SEBI ICDR Regulations. Any reliance by persons not familiar with the aforementioned policies and laws on the financial disclosures presented in this Draft Red Herring Prospectus should be limited. There are significant differences between Ind AS, Indian GAAP, U.S. GAAP and IFRS. Our Company does not provide a reconciliation of its financial statements with Indian GAAP, IFRS or U.S. GAAP requirements. 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. For further details in connection with risks involving differences between Ind AS and other accounting principles, see "*Risk Factors – Significant differences exist between Ind AS used to prepare our financial information and other accounting principles, such as U.S. GAAP and IFRS, which may affect investors' assessments of our Company's financial condition*." on page 78.

Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Unless the context otherwise requires or indicates, any percentage amounts (excluding certain operational metrics), as set forth in "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 43, 177 and 349, respectively, and elsewhere in this Draft Red Herring Prospectus have been derived from the Restated Consolidated Financial Statements.

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. Except as otherwise stated, all figures in decimals have been rounded off to the second decimal and all the percentage figures have been rounded off to two decimal places.

Currency and Units of Presentation

All references to:

1. "Rupees" or "INR" or "Rs." or "₹" are to the Indian Rupee, the official currency of India; and

2. "USD" or "US$" or "$" or "U.S. Dollar" are to the United States Dollar, the official currency of the United States of America;

3. "SOL" is the Peruvian Sol, the official currency of Peru;

4. "CAD" is the Canadian Dollar, the official currency of Canada;

5. "Rand" is to South African Rand, the official currency of South Africa;

6. "British Pound" is the official currency of United Kingdom;

7. "Naira" is the Nigerian Naira, the official currency of Nigeria;

8. "MXN Peso" is the Mexican Peso, the official currency of Mexico;

9. "AU$" is the Australian Dollar, the official currency of Australia;

10. "AED" is the Emirati Dirham, the official currency of United Arab Emirates;

11. "BRL" is the Brazilian Real, the official currency of Brazil;

12. "KES" is the Kenyan Shilling, the official currency of Kenya;

13. "Philippine Peso" is the Philippine Peso, the official cureency of Philippine;

14. "Euro" is the Euro, the official currency of European Union.

Except otherwise specified, our Company has presented certain numerical information in this Draft Red Herring Prospectus in "million", "billion" and "trillion" units. One million represents 1,000,000, one billion represents 1,000,000,000 and one trillion represents 1,000,000,000,000.

Figures sourced from third-party industry sources may be expressed in denominations other than millions or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Time

All references to time in this Draft Red Herring Prospectus are to Indian Standard Time.

Exchange Rates

This Draft Red Herring Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI 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 Indian Rupee and other foreign currencies:

(in ₹)

Currency	As on March 31, 2021 (₹)	As on March 31, 2020 (₹)	As on March 31, 2019[(1)] (₹)
1 USD	73.17	75.37	69.28
1 SOL	19.45	21.93	20.89
1 CAD	58.20	53.39	51.93
1 Rand	4.96	4.24	4.78
1 British Pound	100.96	93.87	90.36
1 Naira	0.19	0.19	0.19
1 MXN Peso	3.58	3.21	3.56
1 AU$	55.70	46.28	49.16
1 AED	19.92	20.52	18.86
1 BRL	12.94	14.54	17.66
1 KES	0.67	0.72	0.69
1 Philippine Peso	1.50	1.48	1.32
1 Euro	85.92	83.08	77.74

(Source: www.xe.com)

(1) *In the event that March 31 of any of the respective years is a public holiday, the previous calendar day not being a public holiday has been considered.*

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from the report titled "Assessment of the global and Indian pharmaceuticals industry" dated August 2021 prepared by CRISIL (the "**CRISIL Report**") and publicly available information as well as other industry publications and sources. The CRISIL Report has been exclusively commissioned at the request of our Company and paid for by our Company for the purposes of this Offer. For further details in relation to risks involving the CRISIL Report, see "*Risk Factors - This Draft Red Herring Prospectus contains information from third parties including an industry report prepared by an independent third-party research agency, CRISIL, which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Offer. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.*" on page 73.

The data included herein includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Offer), that have been left out or changed in any manner. 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 their accuracy, adequacy and completeness or underlying assumptions are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. 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 and assumptions that may prove to be incorrect.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" on page 43. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

In accordance with the SEBI ICDR Regulations, the section titled "*Basis for the Offer Price*" on page 135, includes information relating to our peer group companies. Such information has been derived from publicly available sources.

Disclaimer of CRISIL

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

*"CRISIL Research, a division of CRISIL Limited ("**CRISIL**") has taken due care and caution in preparing this report ("**Report**") based on the Information obtained by CRISIL from sources which it considers reliable ("**Data**"). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Emcure Pharmaceuticals Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL Ratings Limited / CRISIL Risk and Infrastructure Solutions Ltd ("**CRIS**"), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL Ratings Limited / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval."*

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 offered in the Offer have not been and will not be registered under the United States Securities Act of 1933, as amended (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 persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act), pursuant to Section 4(a) of the U.S. Securities Act, and (b) outside of the United States in offshore transactions as defined in and in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales are made.

FORWARD LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain statements which are not statements of historical facts and may be described as "forward-looking statements". These forward-looking statements include statements which generally can be identified by words or phrases such as "aim", "anticipate", "are likely", "believe", "continue", "can", "shall", "could", "expect", "estimate", "intend", "may", "likely" "objective", "plan", "project", "propose", "seek to", "will", "will continue", "will likely", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our Company's strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. However, these are not the exclusive means of identifying forward looking statements.

All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates 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 and globally which have an impact on our 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 laws, regulations, taxes, changes in competition in our industry and incidents of any natural calamities and/or acts of violence. Certain important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- Impact of COVID-19 pandemic, or any future pandemic or widespread public health emergency;
- Any manufacturing or quality control problems may damage our reputation;
- Any delay, interruption or reduction in the supply or transportation of our raw materials or finished products, or an increase in the costs of such raw materials and finished products;
- A slowdown or shutdown in our manufacturing or R&D operations;
- Failure to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business;
- Our inability to accurately forecast demand for our products and manage our inventory;
- Outstanding legal proceedings involving us, our Promoter, our Directors and our Group Companies;
- Adverse order, in an investigation instituted by the Competition Commission of India against our Company and others, alleging cartelization in marketing of an oral anti-diabetes formulation.
- Pricing pressure from customers may affect our ability to maintain or increase our product prices and, in turn, our revenue from product sales, gross margin and profitability; and
- Performance of our products in therapeutic areas as expected

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see "*Risk Factors*", "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on pages 43, 143, 177 and 349, 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.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management's beliefs, assumptions, current plans, estimates and expectations, 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, our Promoters, the Managers, the Syndicate Member nor any of their respective affiliates or advisors 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 requirements, our Company will ensure that investors in India are informed of material developments pertaining to our Company and the Equity Share forming part of the Offer from the date of this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. The Selling Shareholders, severally and not jointly, shall ensure (through our Company and the Managers) that the investors are informed of material developments in relation to statements specifically confirmed or undertaken by the respective Selling Shareholders in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges.

SUMMARY OF THE OFFER DOCUMENT

This section is a general summary of the terms of the Offer, certain disclosures included in this Draft Red Herring Prospectus is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant 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 the sections titled "*Risk Factors*", "*The Offer*", "*Capital Structure*", "*Industry Overview*", "*Our Business*", "*Objects of the Offer*", "*Our Promoters and Promoter Group*", "*Financial Statements*", *"Management's Discussions and Analysis of Financial Position and Results of Operations*", "*Outstanding Litigation and Material Developments*", *"Offer Structure",* on pages 43, 84, 101, 143, 177, 127, 243, 250, 349, 381, and 413 respectively.

Primary business of our Company

We are one of the leading Indian pharmaceutical companies engaged in developing, manufacturing and globally marketing a broad range of pharmaceutical products across several major therapeutic areas. We were ranked as (i) the 12th largest pharmaceutical company in India and (ii) the largest pharmaceutical company in India in the gynecology, blood related and HIV antivirals therapeutic areas, based on sales in India in the financial year 2021, according to CRISIL. We are an R&D driven company with a differentiated product portfolio that includes orals, injectables and biologics, as well as an mRNA platform through which we are currently developing a COVID-19 vaccine, that has enabled us to reach a range of target markets across over 70 countries with a strong presence in Europe and Canada.

Summary of the industry in which our Company operates

The global pharmaceutical market has grown at a CAGR of around 4.5% to 5% from approximately US$1,090 billion in the calendar year 2016 to approximately US$1,270 billion in the calendar year 2020. It is expected to sustain this growth over the next five years to reach approximately US$1,650 to US$1,700 billion in the calendar year 2026. New product launches, widespread population aging and sedentary lifestyles leading to increased chronic disease prevalence, technological advances, new methods for drug discovery, and an increase in pharmaceutical drug usage have been some of the key growth drivers for the industry.

Name of the Promoters

Our Promoters are Satish Mehta and Sunil Mehta. For further details, see "*Our Promoters and Promoter Group*" on page 243.

Offer Size

Offer of Equity Shares[(1)]	Up to [●] Equity Shares, aggregating up to ₹[●] million
of which	
Fresh Issue[(1)(3)]	Up to [●] Equity Shares, aggregating up to ₹ 11,000 million
Offer for Sale[(2)]	The offer for sale of up to 18,168,356 Equity Shares aggregating up to ₹ [●] million, including up to 2,280,000 Equity Shares aggregating up to ₹ [●] million by the Promoter Selling Shareholders, up to 3,735,000 Equity Shares aggregating up to ₹ [●] million by the Promoter Group Selling Shareholders, up to 9,950,000 Equity Shares aggregating up to ₹ [●] million by the Investor Selling Shareholder and up to 2,203,356 Equity Shares aggregating up to ₹ [●] million by the Other Selling Shareholders.
Employee Reservation Portion[(4) (5)]	Up to [●] Equity Shares aggregating up to ₹ [●] million
Net Offer	Up to [●] Equity Shares aggregating up to ₹ [●] million

(1) The Offer has been authorized by a resolution of our Board dated July 27, 2021, and the Fresh Issue has been approved by a resolution of our Shareholders dated July 30, 2021

(2) The Offered Shares being offered by the Selling Shareholders pursuant to the Offer for Sale are eligible for being offered for sale as part of the Offer in terms of Regulation 8 of the SEBI ICDR Regulations. For further details of authorisations pertaining to the Offer for Sale, see "Other Regulatory and Statutory Disclosures" on page 393*.*

(3) Our Company in consultation with the Selling Shareholders and the Managers, may consider a Pre-IPO Placement of Equity Shares for a cash consideration aggregating up to ₹2,000 million, subject to appropriate approvals. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the Selling Shareholders and the Managers, and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the

RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.

(4) In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 (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, shall be added to the Net Offer. For further details, see "Offer Structure" beginning on page 413.

(5) Our Company in consultation with the Selling Shareholders and the Managers, may offer a discount of up to [●]% to the Offer Price (equivalent of ₹ [●] per Equity Share) to Eligible Employees and which shall be announced at least two Working Days prior to the Bid / Offer Opening Date.

The above table summarises the details of the Offer. For further details of the offer, see "*The Offer*" and "*Offer Structure*" on pages 84 and 413, respectively.

Objects of the Offer

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

(In ₹ million)

Particulars	Amount[(1)]
Prepayment or scheduled repayment of all or a portion of certain outstanding borrowings availed by our Company	**9,475.81**
General corporate purposes*	[●]
Net Proceeds*	**[●]**

(1) Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. Upon allotment of Equity Shares issued pursuant to the Pre-IPO Placement, we may utilise the proceeds from such Pre-IPO Placement towards the Objects of the Issue prior to completion of the Issue.
** To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

For further details, see "*Objects of the Offer*" on page 127.

Aggregate pre-Offer shareholding of our Promoters, our Promoter Group and Selling Shareholders

The aggregate pre-Offer shareholding of our Promoters, Promoter Group and Selling Shareholders as a percentage of the pre-Offer paid-up Equity Share capital of the Company is set out below:

S No.	Name of shareholder	Pre-Offer	
		Number of Equity Shares	Percentage of total pre-Offer paid up Equity Share capital (%)
Promoters			
1.	Satish Mehta	75,816,748	41.92
2.	Sunil Mehta[(1)]	11,085,012	6.13
	Total (A)	**86,901,760**	**48.05**
Promoter Group			
1.	Sanjay Mehta[(2)]*	15,764,028	8.72
2.	Samit Mehta*	13,547,632	7.49
3.	Bhavana Mehta[(3)]*	9,388,288	5.19
4.	Kamini Mehta[(4)]*	8,099,960	4.48
5.	Namita Thapar*	6,339,800	3.51
6.	Pushpa Mehta*	4,336,052	2.40
7.	Rutav Mehta[(5)]	1,098,224	0.61
8.	Niraj Mehta[(6)]	1,100,000	0.61
9.	Surekha Shah*	318,216	0.18
10.	Shaila Gujar*	129,216	0.07
11.	Suhasinee Shah[(7)]*	129,216	0.07
12.	Smita Paresh Shah*	129,216	0.07
13.	Swati Shah[(8)]*	129,216	0.07
14.	Girish Desai*	115,716	0.06
15.	Ranjanakumari Desai*	28,928	0.02
	Total (B)	**60,653,708**	**33.55**
Investor Selling Shareholder			
1.	BC Investments IV Limited	23,673,544	13.09

S No.	Name of shareholder	Pre-Offer	
		Number of Equity Shares	Percentage of total pre-Offer paid up Equity Share capital (%)
	Total (C)	**23,673,544**	**13.09**
Other Selling Shareholders			
1.	Sonali Mehta[(9)]	3,671,040	2.03
2.	Arunkumar Khanna	1,200,000	0.66
3.	Umakant Shah	578,572	0.32
4.	Vikas Thapar	375,000	0.21
5.	Mukund Gurjar	295,716	0.16
6.	Smita Dilip Shah	216,000	0.12
7.	Berjis Desai	192,856	0.11
8.	Prakash Kumar Guha	192,856	0.11
9.	Shreekant Bapat [(10)]	175,084	0.10
10.	Usha Shah	175,500	0.10
11.	Humayun Dhanrajgir [(11)]	154,284	0.09
12.	Rustom Soonawala[(12)]	135,000	0.07
13.	Jaydeep Desai [(13)]	115,716	0.06
14.	Jashvantlal Shah	57,856	0.03
15.	Saumil Shah [(14)]	57,856	0.03
16.	Shriram Balasubramanian	38,572	0.02
17.	Hitesh Jain	25,716	0.01
	Total (D)	**7,657,624**	**4.23**
	Total (A+B+C+D)	**178,886,636**	**98.92**

** Promoter Group Selling Shareholder*

(1) Includes joint holding of Sunil Mehta with Kamini Mehta, Sunil Mehta being the first holder.
(2) Includes joint holding of Sanjay Mehta with Sonali Mehta, Sanjay Mehta being the first holder.
(3) Includes joint holding of Bhavana Mehta with Satish Mehta, Bhavana Mehta being the first holder.
(4) Includes joint holding of Kamini Mehta with Sunil Mehta, Kamini Mehta being the first holder.
(5) Includes joint holding of Rutav Mehta with Sunil Mehta & Rutav Mehta with Kamini Mehta, Rutav Mehta being the first holder.
(6) Entire 11,00,000 Equity Shares jointly held by Niraj Mehta with Sunil Mehta, Niraj Mehta being the first holder.
(7) Entire 129,216 Equity Shares jointly held by Suhasinee Shah with Saumil Shah, Suhasinee Shah being the first holder.
(8) Entire 129,216 Equity Shares jointly held by Swati Shah with Hetal Shah, Swati Shah being the first holder.
(9) Includes joint holding of Sonali Mehta with Sanjay Mehta, Sonali Mehta being the first holder.
(10) Entire 175,084 Equity Shares jointly held by Shreekant Bapat with Alaka Bapat, Shreekant Bapat being the first holder.
(11) Entire 154,284 Equity Shares jointly held by Humayun Dhanrajgir with Jini Dhanrajgir, Humayun Dhanrajgir being the first holder.
(12) 135,000 Equity Shares are held by Rustom Soonawala jointly with Kamal Neville Tata jointly with Feroze Rustom Soonawala, Rustom Soonawala being the first holder.
(13) Entire 115,716 Equity Shares jointly held by Jaydeep Desai with Shobhna Desai, Jaydeep Desai being the first holder.
(14) Entire 57,856 Equity Shares jointly held by Saumil Shah with Suhasinee Shah, Saumil Shah being the first holder.

Summary derived from the Restated Consolidated Financial Statements

The following details of our capital, net worth, net asset value per Equity Share and total borrowings as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 and total revenue from operations, profit after tax and earnings per Equity Share (basic and diluted) as at and for Fiscals 2021, 2020 and 2019 are derived from the Restated Consolidated Financial Statements:

(In ₹ million except per share data)

Particulars	Fiscal 2021	Fiscal 2020	Fiscal 2019
Equity Share capital	1,808.52	1,808.52	1,808.52
Net Worth[#]	22,730.22	19,119.54	18,292.61
Revenue from Operations	60,564.15	50,485.54	47,171.83
Profit for the year	4,185.94	1,006.10	2,029.68
Earnings per share (in ₹)			
- Basic	21.68	4.62	10.47

Particulars	Fiscal 2021	Fiscal 2020	Fiscal 2019
- Diluted	21.68	4.62	10.47
Net asset value per equity share (in ₹)[#]	125.68	105.72	101.15
Total Borrowings (net-off transaction costs)[#]	23,101.59	21,696.22	21,282.86

Notes:

1. Net Worth means total equity attributable to the owners of the Company

2. Net asset value per equity share means total equity attributable to the owners of the Company divided by the outstanding number of equity shares at the end of the year.

3. Total borrowings means Non-current borrowings including current maturities of long term debt and current borrowing and excludes transaction cost.

[#] For a reconciliation of these numbers, see "Other Financial Information - Non-GAAP Measures" on page 341

For further details see "*Financial Information*" on page 250.

Further, as required under SEBI ICDR Regulations, our Company has included Proforma Condensed Consolidated Financial Information to illustrate the De-merger of our U.S. operations, including our U.S. subsidiary, Heritage from us. For further details, see "*Proforma Condensed Consolidated Financial Information*" on page 332. Further see, "*Risk Factors – Internal Risk Factors – The Proforma Condensed Consolidated Financial Information included in this Draft Red Herring Prospectus to reflect the De-merger of our U.S. Operations 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 page 72.

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

There are no auditor qualifications which have not been given effect to in the Restated Consolidated Financial Statements. However, the report issued by our Statutory Auditors for our audited consolidated financial statements as of and for the financial year ended March 31, 2021 contain the following emphasis of matter paragraph:

"*We draw attention to Note 43 to the financial statements which describes the uncertainty related to the ultimate outcome of the Search and Seizure operation conducted by the Income Tax Department. The Group has not received any demand notices in relation to the Search and Seizure as at this date. Management is confident that no taxes will devolve on the Group and hence no provision has been recognized in these financial statements as at 31 March 2021. Though the Group has not received any demand notice till date, the uncertainty in the matter remains till the proceedings are concluded. Our opinion is not qualified in respect of this matter.*"

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 Material Developments*" in terms of the SEBI ICDR Regulations and the Materiality Policy is provided below:

Type of Proceedings	Number of cases	Amount involved[*] (₹ in million)
Cases against our Company		
Criminal proceedings	3	N.A.
Actions taken by statutory or regulatory authorities	5	N.A.
Claims related to direct and indirect taxes	22	238.32
Other pending material litigation proceedings	3	N.A.
Total	33	238.32
Cases by our Company		
Criminal proceedings	31[#]	36.24
Other pending material proceedings	Nil	Nil
Total	31	36.24
Cases against our Subsidiaries		
Criminal proceedings	1	N.A.
Actions taken by statutory or regulatory authorities	1	N.A.
Claims related to direct and indirect taxes	18	342.06
Other pending material litigation proceedings	1	N.A.

Type of Proceedings	Number of cases	Amount involved* (₹ in million)
Total	21	342.06
Cases by our Subsidiaries		
Criminal proceedings	22##	14.71
Other pending material proceedings	Nil	Nil
Total	22	14.71
Cases against our Promoters		
Criminal proceedings	3	N.A.
Actions taken by statutory or regulatory authorities	3	N.A.
Disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoters in the last five financial years.	Nil	Nil
Claims related to direct and indirect taxes	Nil	Nil
Other pending material litigation	1	N.A.
Total	7	N.A.
Cases by our Promoters		
Criminal proceedings	Nil	Nil
Other pending material litigation	Nil	Nil
Total	Nil	Nil
Cases against the Directors		
Criminal proceedings	4	Nil
Actions taken by statutory or regulatory authorities	5	Nil
Direct and indirect taxes	Nil	Nil
Other pending material litigation	1	Nil
Total	10	Nil
Cases by the Directors		
Criminal proceedings	Nil	Nil
Other pending material litigation	Nil	Nil
Total	Nil	Nil
Cases against the Group Companies		
Pending litigation which has a material impact on our Company	3	N.A.
Total	3	N.A.
Cases by the Group Companies		
Pending litigation which has a material impact on our Company	Nil	N.A.

**To the extent ascertainable and quantifiable*
#These matters pertain to applications filed under Section 138 of the Negotiable Instruments Act, 1881
##20 matters pertain to applications filed under Section 138 of the Negotiable Instruments Act, 1881

For further details of the outstanding litigation proceedings, see "*Outstanding Litigation and Material Developments*" on page 381.

Risk Factors

Investors should see "*Risk Factors*" on page 43 to have an informed view before making an investment decision.

Summary of contingent liabilities and capital commitments of our Company

Details of the contingent liabilities (as per Ind AS 37) and capital commitments of our Company as on March 31, 2021 derived from the Restated Consolidated Financial Statements are set forth below:

Sr. No.	Particulars	Amount (in ₹ million) as on March 31, 2021
	Claims against us not acknowledged as debts:	
1.	Provident fund	53.61
2.	Sales/entry tax	42.72
3.	Excise and service tax matters	31.60

Sr. No.	Particulars	Amount (in ₹ million) as on March 31, 2021
	Total	**127.93**

For further details of the contingent liabilities (as per Ind AS 37) of our Company as on March 31, 2021, see "*Restated Consolidated Financial Statements – Contingent liabilities*" on page 307.

Summary of Related Party Transactions

Summary of the related party transactions as per Ind AS 24-Related Party Disclosures, read with the SEBI ICDR Regulations, derived from Restated Consolidated Financial Statements, is as follows:

(₹ in million)

Sr. No.	Description of the nature of the transaction	Transaction during the year			Amount outstanding as at					
		2020-21	2019-20	2018-19	March 31, 2021		March 31, 2020		March 31, 2019	
					Receivable	Payable	Receivable	Payable	Receivable	Payable
1)	**Sale of assets**									
	Uth Beverage Factory Pvt. Ltd.	0.11	-	-	0.13	-	-	-	-	-
2)	**Purchase of goods & services**									
	Uth Beverage Factory Pvt. Ltd.	-	-	0.50	-	-	-	-	-	-
3)	**Sale /(Return) of goods and services**									
	Uth Beverage Factory Pvt. Ltd.	-	-	0.01	-	-	-	-	0.02	-
	H.M. Sales Corporation	(5.03)	8.96	-	3.97	-	10.07	-	-	-
4)	**Interest paid**									
	H.M. Sales Corporation	0.75	0.75	0.75	-	0.17	-	0.17	-	0.17
5)	**Deposits accepted**									
	H.M. Sales Corporation	-	-	-	-	10.00	-	10.00	-	10.00
6)	**Commission paid**									
	H.M. Sales Corporation	40.54	37.19	38.45	-	12.14	-	9.95	-	10.18
7)	**Reimbursement of expenses made**									
	Uth Beverage Factory Pvt. Ltd.	-	0.50	0.03	-	-	-	-	-	-
	H.M. Sales Corporation	3.44	4.82	0.71	-	1.01	-	0.78	-	-
8)	**Royalty expense**									
	Uth Beverage Factory Pvt. Ltd.	1.15	1.71	1.94	-	0.27	-	0.73	-	1.04
9)	**Remuneration paid**									
	Key management personnel: whole time directors									
	Mr. Satish Mehta	209.82	160.05	158.50	-	62.54	-	29.66	-	43.80
	Mr. Mukund Gurjar	42.93	40.79	38.23	-	9.51	-	9.39	-	9.10
	Mr. Sunil Mehta	22.85	21.01	18.66	-	2.81	-	6.93	-	6.67
	Mrs. Namita Thapar	30.06	23.70	21.43	-	3.55	-	5.10	-	5.10
	Key management personnel: relatives									
	Mr. Samit Mehta	29.43	22.04	19.42	-	3.58	-	5.43	-	5.39
	Mr. Vikas Thapar	30.37	24.95	29.41	-	3.53	-	5.18	-	5.47
	Mr. Sanjay Mehta	23.37	20.97	18.66	-	2.87	-	7.25	-	6.67
	Mr. Rutav Mehta	-	1.50	1.52	-	-	-	0.15	-	0.09
	Key management personnel: other than whole time directors									
	Dr. Fakrul Sayeed	-	-	43.12	-	-	-	-	-	9.46
10)	**Post-employment**									

Sr. No.	Description of the nature of the transaction	Transaction during the year			Amount outstanding as at					
		2020-21	2019-20	2018-19	March 31, 2021		March 31, 2020		March 31, 2019	
					Receivable	Payable	Receivable	Payable	Receivable	Payable
	obligation and other long term employee benefits									
	Key management personnel: whole time directors									
	Mr. Sunil Mehta	7.90	1.34	1.08	-	-	-	10.36	-	9.03
	Mrs. Namita Thapar	4.11	1.25	1.08	-	10.07	-	5.96	-	4.72
	Key management personnel: relatives									
	Mr. Samit Mehta	5.96	1.33	1.49	-	12.41	-	6.45	-	5.12
	Mr. Vikas Thapar	3.60	0.80	1.18	-	10.01	-	6.41	-	5.61
	Mr. Sanjay Mehta	6.49	1.58	0.77	-	16.08	-	9.59	-	8.00
	Mr. Rutav Mehta	-	0.05	0.04	-	-	-	0.15	-	0.10
11)	**Compensated absences Provisions**									
	Key management personnel: whole time directors									
	Mr. Satish Mehta	1.12	1.77	1.77	-	16.98	-	15.86	-	14.08
	Mr. Mukund Gurjar	0.36	0.02	0.33	-	3.96	-	3.61	-	3.58
	Mr. Sunil Mehta	1.18	0.08	0.08	-	2.64	-	1.46	-	1.37
	Mrs. Namita Thapar	1.51	0.37	0.35	-	4.09	-	2.58	-	2.21
	Key management personnel: relatives									
	Mr. Samit Mehta	1.84	0.34	0.46	-	4.08	-	2.24	-	1.90
	Mr. Vikas Thapar	1.30	0.13	0.36	-	4.04	-	2.75	-	2.62
	Mr. Sanjay Mehta	0.94	0.19	0.11	-	2.60	-	1.66	-	1.47
	Mr. Rutav Mehta	-	-	0.02	-	-	-	0.02	-	0.09
12)	**Employee share based payments**									
	Key management personnel: relatives									
	Mr. Vikas Thapar	4.13	6.32	0.64	-	36.15	-	32.02	-	25.70
	Key management personnel: other than whole time directors									
	Dr. Fakrul Sayeed	-	-	0.80	-	-	-	-	-	0.80
13)	**Stock appreciation rights**									
	Key management personnel: relatives									
	Mr. Vikas Thapar	-	1.42	-	-	-	-	-	-	2.11
14)	**Director fees Paid**									
	Key management personnel: whole time directors									
	Mr. Satish Mehta	-	-	3.49	-	-	-	-	-	0.87
	Key management personnel: relatives									
	Mr. Vikas Thapar	-	3.54	3.49	-	-	-	-	-	0.87
	Key management personnel: other than whole time directors									
	Dr. Fakrul Sayeed	-	-	4.75	-	-	-	-	-	1.19
15)	**Dividend Paid**									
	Key management personnel: whole time directors									
	Mr. Satish Mehta	76.38	190.57	341.04	-	-	-	-	-	-
	Mr. Mukund Gurjar	0.30	0.74	1.33	-	-	-	-	-	-
	Mr. Sunil Mehta	11.09	27.91	49.33	-	-	-	-	-	-
	Mrs. Namita Thapar	6.34	15.85	28.53	-	-	-	-	-	-
	Key management personnel: relatives									
	Mr. Samit Mehta	13.55	33.87	60.96	-	-	-	-	-	-

Sr. No.	Description of the nature of the transaction	Transaction during the year			Amount outstanding as at					
		2020-21	2019-20	2018-19	March 31, 2021		March 31, 2020		March 31, 2019	
					Receivable	Payable	Receivable	Payable	Receivable	Payable
	Mr. Vikas Thapar	0.38	0.94	1.69	-	-	-	-	-	-
	Mr. Sanjay Mehta	15.87	39.61	70.99	-	-	-	-	-	-
	Mrs. Bhavana Mehta	9.26	23.14	42.25	-	-	-	-	-	-
	Mr. Rutav Mehta	1.10	11.45	4.84	-	-	-	-	-	-
16)	**Commission Paid**									
	Mr. S.K. Bapat	6.50	5.90	5.90	-	6.50	-	5.90	-	6.00
	Mr. Humayun Dhanrajgir	2.00	2.00	3.20	-	2.00	-	2.00	-	3.00
	Mr. Berjis Desai	3.50	2.50	3.80	-	3.50	-	2.50	-	3.60
	Mr. P. S. Jaykumar	2.40	-	-	-	2.40	-	-	-	-
	Dr. Girish Telang	-	-	-	-	-	-	-	-	10.00
17)	**Sitting fees Paid**									
	Key management personnel: whole time directors									
	Mr. Satish Mehta	3.71	3.54	3.49	-	0.93	-	-	-	0.87
	Key management personnel: relatives									
	Mr. Vikas Thapar	3.71	3.54	3.49	-	0.93	-	-	-	0.87
	Key management personnel: other than whole time directors									
	Mr. S.K. Bapat	0.68	0.67	0.47	-	-	-	-	-	-
	Mr. Humayun Dhanrajgir	0.28	0.06	0.16	-	-	-	-	-	-
	Mr. Berjis Desai	0.28	0.28	0.20	-	-	-	-	-	-
	Mr. Samonnoi Banerjee	0.16	0.16	0.12	-	-	-	-	-	-
	Mr. P. S. Jaykumar	0.10	-	-	-	-	-	-	-	-
	Dr. Fakrul Sayeed	-	-	4.75	-	-	-	-	-	1.19
18)	**Rent Paid**									
	Key management personnel: whole time directors									
	Mr. Sunil Mehta	0.33	0.33	0.33	-	-	-	-	-	-
	Key management personnel: relatives									
	Mr. Sanjay Mehta	0.33	0.33	0.33	-	-	-	-	-	-
	Mrs. Bhavana Mehta	0.24	0.24	0.24	-	-	-	-	-	-

(b) Summary of transactions/ balances within the Group: (these transactions got eliminated in Restated Consolidated Financial Statements)*										
Sr. No.	**Description of the nature of the transaction**	**Transaction during the year**			**Amount outstanding as at**					
		2020-21	**2019-20**	**2018-19**	**March 31, 2021**		**March 31, 2020**		**March 31, 2019**	
					Receivable	**Payable**	**Receivable**	**Payable**	**Receivable**	**Payable**
1)	**Purchase of goods & services**									
	Zuventus Healthcare Limited	89.62	46.54	62.77	-	1.15	-	-	-	5.81
	Gennova Biopharmaceuticals Limited	81.29	97.19	195.10	-	15.16	-	8.87	-	-
2)	**Sale of assets**									
	Zuventus Healthcare Limited	13.59	-	0.87	-	-	-	-	-	-
	Gennova Biopharmaceuticals Limited	-	0.11	3.73	(152.14)	-	-	-	-	-
3)	**Purchase of assets**									
	Zuventus Healthcare	-	-	0.31	-	-	-	-	-	-

(b) Summary of transactions/ balances within the Group: (these transactions got eliminated in Restated Consolidated Financial Statements)*										
Sr. No.	**Description of the nature of the transaction**	**Transaction during the year**			**Amount outstanding as at**					
		2020-21	**2019-20**	**2018-19**	**March 31, 2021**		**March 31, 2020**		**March 31, 2019**	
					Receivable	**Payable**	**Receivable**	**Payable**	**Receivable**	**Payable**
	Limited									
	Gennova Biopharmaceuticals Limited	0.04	0.01	0.02	-	-	-	-	-	-
	Tillomed Laboratories Limited	-	-	-	-	-	-	4.93	-	4.93
4)	**Sale /(Return) of goods and services**									
	Zuventus Healthcare Limited	429.39	182.47	254.63	6.56	-	15.63	-	4.55	-
	Gennova Biopharmaceuticals Limited	230.62	242.62	189.08	2.85	-	-	-	-	-
	Heritage Pharma Labs Inc.	67.37	164.74	66.23	110.11	-	208.93	-	24.36	-
	Emcure Pharmaceuticals Mena FZ-LLC.	386.00	263.71	452.28	99.80	-	215.31	-	269.55	-
	Heritage Pharmaceuticals Inc.	776.90	2,162.66	3,791.90	1,629.68	-	2,890.50	-	988.76	-
	Emcure Pharmaceuticals South Africa (Pty) Ltd	1,052.47	208.15	157.41	818.16	-	100.97	-	96.09	-
	Emcure Pharma UK Ltd.	(92.02)	(29.58)	1,801.49	230.23	-	1,869.56	-	2,446.02	-
	Emcure Pharma Peru S.A.C.	3,320.68	25.76	76.86	1,708.27	-	111.13	-	77.35	-
	Tillomed Laboratories Limited	2,734.36	1,894.98	1,031.66	-	-	1,329.35	-	1,269.01	-
	Tillomed Pharma GmbH	-	-	-	-	-	105.42	-	100.05	-
	Tillomed Italia S.R.L	14.53	-	-	14.65	-	16.59	-	15.49	-
	Marcan Pharmaceuticals Inc.	1,342.05	925.94	704.46	1,366.15	-	680.70	-	633.70	-
	Hacco Pharma Inc.	256.74	-	-	88.70	-	-	-	-	-
5)	**Advance received for goods and services**									
	Tillomed Laboratories Limited	-	-	-	(6.01)	-	-	-	-	-
	Marcan Pharmaceuticals Inc.	-	-	-	(27.96)	-	-	-	-	-
6)	**Purchase of shares of subsidiary**									
	Marcan Pharmaceuticals Inc.	651.57	-	-	-	-	-	-	-	-
	Heritage Pharma Holdings Inc.	1,486.31	375.42	-	-	-	-	-	-	-
	Emcure Pharma UK Ltd.	2,022.72	598.37	-	-	-	-	-	-	-
	Emcure Pharma Peru S.A.C.	41.05	-	-	-	-	-	-	-	-
	Avet Lifesciences Limited	0.10	-	-	-	-	-	-	-	-
	Emcure Pharma Chile SpA	3.66	-	-	-	-	-	-	-	-
	Emcure Pharmaceuticals South Africa (Pty) Ltd	178.76	-	-	-	-	-	-	-	-
	Emcure Pharmaceuticals	321.11	-	-	-	-	-	-	-	-

(b) Summary of transactions/ balances within the Group: (these transactions got eliminated in Restated Consolidated Financial Statements)*										
Sr. No.	**Description of the nature of the transaction**	**Transaction during the year**			**Amount outstanding as at**					
		2020-21	**2019-20**	**2018-19**	**March 31, 2021**		**March 31, 2020**		**March 31, 2019**	
					Receivable	**Payable**	**Receivable**	**Payable**	**Receivable**	**Payable**
	Mena FZ-LLC.									
7)	**Equity contribution in the nature of employee stock options issued to employees of subsidiary / (cancellation of employee stock options issued)**									
	Heritage Pharma Holdings Inc.	(25.26)	25.27	-	-	-	-	-	-	-
	Zuventus Healthcare Limited	(2.45)	-	0.11	-	-	-	-	-	-
	Gennova Biopharmaceuticals Limited	0.73	2.35	0.14	-	-	-	-	-	-
	Marcan Pharmaceuticals Inc.	0.42	0.93	2.36	-	-	-	-	-	-
	Heritage Pharma Labs Inc.	(7.83)	1.44	0.48	-	-	-	-	-	-
	Heritage Pharmaceuticals Inc.	(117.68)	82.93	34.74	-	-	-	-	-	-
	Emcure Pharma UK Ltd.	-	-	0.09	-	-	-	-	-	-
	Tillomed Laboratories Limited	7.01	3.78	1.18	-	-	-	-	-	-
8)	**Loans and advances given / (repaid)** #									
	Emcure Nigeria Limited	-	-	-	33.81	-	57.93	-	51.60	-
	Emcure Pharmaceuticals South Africa (Pty) Ltd	(133.90)	-	-	-	-	131.44	-	116.69	-
	Emcure Pharmaceuticals Mena FZ-LLC.	(96.75)	-	-	119.85	-	214.84	-	201.33	-
	Emcure Brasil Farmaceutica Ltda.	-	-	-	81.15	-	104.76	-	89.85	-
	Emcure Pharmaceuticals Pty Ltd.	-	(10.99)	(5.08)	-	-	-	-	8.09	-
	Emcure Pharma Mexico S.A. DE C.V.	-	-	-	57.70	-	68.59	-	53.22	-
	Emcure Pharma Peru S.A.C.	60.06	3.17	5.98	105.42	-	48.57	-	39.80	-
	Heritage Pharma Holdings Inc.	2,509.05	-	-	2,485.74	-	-	-	-	-
	Emcure Pharma UK Ltd.	560.19	-	-	604.77	-	-	-	-	-
	Avet Lifesciences Limited	1.30	-	-	1.30	-	-	-	-	-
9)	**Interest income**									
	Emcure Nigeria Limited	3.81	3.74	3.64	32.02	-	28.89	-	23.84	-
	Emcure Pharmaceuticals South Africa (Pty) Ltd	3.11	8.11	7.77	28.56	-	42.12	-	32.45	-
	Emcure Pharmaceuticals Mena FZ-LLC.	18.93	19.56	18.71	15.05	-	109.15	-	105.45	-

(b) Summary of transactions/ balances within the Group: (these transactions got eliminated in Restated Consolidated Financial Statements)*										
Sr. No.	**Description of the nature of the transaction**	**Transaction during the year**			**Amount outstanding as at**					
		2020-21	**2019-20**	**2018-19**	**March 31, 2021**		**March 31, 2020**		**March 31, 2019**	
					Receivable	**Payable**	**Receivable**	**Payable**	**Receivable**	**Payable**
	Emcure Brasil Farmaceutica Ltda.	8.00	7.86	7.53	43.09	-	36.58	-	29.58	-
	Emcure Pharmaceuticals Pty Ltd.	-	0.59	1.25	-	-	0.11	-	3.16	-
	Emcure Pharma Peru S.A.C.	6.35	4.05	3.61	13.19	-	7.44	-	4.75	-
	Emcure Pharma Mexico S.A. DE C.V.	6.82	6.72	6.00	16.04	-	11.36	-	6.17	-
	Emcure Pharma UK Ltd.	22.10	-	-	18.97	-	-	-	-	-
	Heritage Pharma Holdings Inc.	36.27	-	-	30.68	-	-	-	-	-
	Avet Lifesciences Limited	0.02	-	-	0.02	-	-	-	-	-
10)	**Net gain/(loss) on loans given to subsidiaries measured at amortised cost**									
	Emcure Brasil Farmaceutica Ltda.	(21.22)	5.19	5.33	-	-	-	-	-	-
	Emcure Nigeria Limited	(22.17)	1.99	2.73	-	-	-	-	-	-
	Emcure Pharma Mexico S.A. DE C.V.	(9.22)	8.49	6.32	-	-	-	-	-	-
	Emcure Pharma Peru S.A.C.	-	0.65	0.63	-	-	-	-	-	-
	Emcure Pharmaceuticals Mena FZ-LLC.	7.85	(2.82)	(6.28)	-	-	-	-	-	-
	Emcure Pharmaceuticals South Africa (Pty) Ltd	6.63	4.76	4.05	-	-	-	-	-	-
	Emcure Pharmaceuticals Pty Ltd.	-	0.77	0.30	-	-	-	-	-	-
11)	**Sale of Steam (classified under other income)**									
	Gennova Biopharmaceuticals Limited	18.69	19.48	11.54	1.00	-	1.15	-	-	-
12)	**Deposits accepted**									
	Zuventus Healthcare Limited	-	-	-	-	1.00	-	0.85	-	0.76
	Gennova Biopharmaceuticals Limited	-	-	-	-	13.27	-	11.85	-	14.86
13)	**Amortisation of deferred rent receivable**									
	Gennova Biopharmaceuticals Limited	1.12	2.10	1.30	-	1.21	-	2.33	-	0.37
	Zuventus Healthcare Limited	0.17	0.09	0.09	-	-	-	0.12	-	1.23
14)	**Unwinding of discount on rent**									

(b) Summary of transactions/ balances within the Group: (these transactions got eliminated in Restated Consolidated Financial Statements)*										
Sr. No.	**Description of the nature of the transaction**	**Transaction during the year**			**Amount outstanding as at**					
		2020-21	**2019-20**	**2018-19**	**March 31, 2021**		**March 31, 2020**		**March 31, 2019**	
					Receivable	**Payable**	**Receivable**	**Payable**	**Receivable**	**Payable**
	deposit									
	Gennova Biopharmaceuticals Limited	1.42	1.27	1.59	-	-	-	-	-	-
	Zuventus Healthcare Limited	0.15	0.09	0.08	-	-	-	-	-	-
15)	**Reimbursement of expenses made**									
	Heritage Pharma Labs Inc.	1.80	22.44	28.55	-	1.83	-	11.24	-	0.75
	Heritage Pharmaceuticals Inc.	100.25	188.38	28.65	-	98.83	-	188.38	-	-
	Marcan Pharmaceuticals Inc.	11.96	4.21	1.53	-	13.95	-	2.28	-	0.11
	Tillomed Laboratories Limited	-	-	2.49	-	-	-	-	-	1.74
16)	**Reimbursement of expenses received**									
	Heritage Pharma Labs Inc.	68.42	69.62	27.32	167.56	-	96.94	-	27.32	-
	Tillomed Italia S.R.L	11.39	4.58	1.33	7.98	-	5.91	-	1.33	-
	Tillomed Pharma GmbH	18.57	4.27	2.92	4.58	-	7.31	-	3.03	-
	Emcure Pharmaceuticals Mena FZ-LLC.	2.60	0.27	1.62	7.51	-	5.13	-	4.87	-
	Heritage Pharma Holdings Inc.	92.75	88.93	32.20	188.34	-	107.15	-	34.52	-
	Emcure Pharma UK Ltd.	-	0.42	4.54	-	-	-	-	0.14	-
	Heritage Pharmaceuticals Inc.	39.79	27.47	238.64	40.02	-	0.03	-	37.28	-
	Tillomed Laboratories Limited	93.59	24.71	62.55	272.31	-	139.36	-	114.65	-
	Laboratorios Tillomed Spain S.L.U.	11.70	5.11	3.52	7.08	-	4.26	-	3.37	-
	Tillomed France SAS	3.37	1.48	0.03	1.67	-	0.90	-	0.03	-
	Marcan Pharmaceuticals Inc.	12.84	4.74	7.15	18.05	-	5.58	-	0.84	-
	Avet Lifesciences Limited	0.52	-	-	-	-	-	-	-	-
	Emcure Pharma Chile SpA	0.63	-	-	0.63	-	-	-	-	-
17)	**Dividend received**									
	Zuventus Healthcare Limited	159.60	303.24	71.82	-	-	-	-	-	-
18)	**Rent income**									
	Zuventus Healthcare Limited	9.35	8.99	8.50	-	-	-	-	-	-
	Gennova Biopharmaceuticals Limited	33.26	32.41	31.80	-	-	-	-	-	-
19)	**Amortisation of financial guarantee liability**									
	Marcan Pharmaceuticals Inc.	20.25	20.31	20.25	-	32.07	-	52.25	-	72.56
20)	**Financial guarantee**									

(b) Summary of transactions/ balances within the Group: (these transactions got eliminated in Restated Consolidated Financial Statements)*										
Sr. No.	**Description of the nature of the transaction**	**Transaction during the year**			**Amount outstanding as at**					
		2020-21	**2019-20**	**2018-19**	**March 31, 2021**		**March 31, 2020**		**March 31, 2019**	
					Receivable	**Payable**	**Receivable**	**Payable**	**Receivable**	**Payable**
	fees charged									
	Gennova Biopharmaceuticals Limited	1.70	2.25	3.55	-	-	-	-	-	-
	Heritage Pharma Holdings Inc.	69.07	75.05	57.23	201.35	-	132.28	-	57.23	-
	Emcure Pharma UK Ltd.	0.94	5.64	5.35	7.06	-	5.64	-	1.35	-
	Marcan Pharmaceuticals Inc.	4.48	3.57	2.04	9.12	-	4.08	-	0.51	-
	Emcure Pharmaceuticals Mena FZ-LLC.	1.58	1.64	1.50	6.11	-	4.32	-	2.69	-
	Tillomed Laboratories Limited	4.84	-	-	4.99	-	-	-	-	-
21)	**Redemption of Preference Shares**									
	Gennova Biopharmaceuticals Limited	-	100.00	-	-	-	-	-	-	-
22)	**Net changes in fair value of preference shares**									
	Gennova Biopharmaceuticals Limited	-	19.09	16.49	-	-	-	-	-	-
23)	**Marketing Support Fees (classified under Advertisement & Promotional Material)**									
	Emcure Pharmaceuticals Mena FZ-LLC.	24.80	11.59	30.45	-	9.62	-	59.05	-	54.32
	Emcure Nigeria Limited	4.94	3.66	3.92	-	3.46	-	3.79	-	2.24
	Emcure Pharma Peru S.A.C.	-	38.19	27.37	-	-	-	35.09	-	-
	Emcure Pharma Mexico S.A. DE C.V.	20.42	16.71	23.55	-	7.27	-	7.64	-	5.59
	Emcure Brasil Farmaceutica Ltda.	17.30	43.27	40.00	-	13.80	-	14.14	-	8.89
	Emcure Pharmaceuticals Pty Ltd.	14.21	32.18	23.26	-	12.31	-	15.25	-	12.18
	Heritage Pharmaceuticals Inc.	-	-	-	-	-	-	-	-	-
	Emcure NZ Limited	3.13	62.85	28.58	-	1.00	-	0.50	-	14.85
	Emcure Pharma Chile SpA	2.42	-	-	-	2.47	-	-	-	-
24)	**Corporate Overhead Cross Charge (Income) (classified under other income)**									
	Heritage Pharmaceuticals Inc.	73.52	-	-	71.54	-	-	-	-	-
	Marcan Pharmaceuticals Inc.	37.47	-	-	35.42	-	-	-	-	-
	Tillomed Laboratories Limited	61.28	-	-	42.24	-	-	-	-	-

(b) Summary of transactions/ balances within the Group: (these transactions got eliminated in Restated Consolidated Financial Statements)*										
Sr. No.	**Description of the nature of the transaction**	**Transaction during the year**			**Amount outstanding as at**					
		2020-21	**2019-20**	**2018-19**	**March 31, 2021**		**March 31, 2020**		**March 31, 2019**	
					Receivable	**Payable**	**Receivable**	**Payable**	**Receivable**	**Payable**
25)	**Corporate Overhead Cross Charge (Expense)**									
	Heritage Pharmaceuticals Inc.	73.59	-	-	-	17.63	-	-	-	-
	Hacco Pharma Inc.	69.20	-	-	-	69.20	-	-	-	-
26)	**Financial guarantee fees paid (classified under other borrowing costs)**									
	Zuventus Healthcare Limited	4.06	-	-	-	-	-	-	-	-
27)	**Accrued interest balance written-off (classified under other borrowing costs)**									
	Emcure Pharmaceuticals South Africa (Pty) Ltd	16.68	-	-	-	-	-	-	-	-
28)	**Revenue recognised in retained earnings in accordance with Ind AS 115**									
	Heritage Pharmaceuticals Inc.	-	-	1,605.28	-	-	-	-	-	-
	Emcure Pharma UK Ltd.	-	-	866.93	-	-	-	-	-	-
	Tillomed Laboratories Limited	-	-	91.39	-	-	-	-	-	-
	Tillomed Pharma GmbH	-	-	50.40	-	-	-	-	-	-
	Tillomed Italia S.R.L	-	-	20.80	-	-	-	-	-	-
	Laboratorios Tillomed Spain S.L.U.	-	-	1.29	-	-	-	-	-	-
	Marcan Pharmaceuticals Inc.	-	-	20.88	-	-	-	-	-	-

* As per Schedule VI (Para 11(I)(A)(i)(g)) of ICDR Regulations

For further details of the related party transactions, as per the requirements under Ind AS 24 'Related party transactions' see "*Related Party Transactions*" on page 348.

Financing arrangements

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

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

Sr. No.	Name	Number of Equity Shares acquired	Weighted average price per Equity Share (in ₹)*
1.	Satish Mehta	67,500	714.84

* *As certified by M/s. R.B. Sharma and Co., Chartered Accountants, by way of their certificate dated August 18, 2021.*

Details of Pre-IPO Placement

Our Company in consultation with the Selling Shareholders and the Managers, may consider a Pre-IPO Placement of Equity Shares for a cash consideration aggregating up to ₹2,000 million subject to appropriate approvals. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the Selling Shareholders and the Managers, and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR

Average cost of acquisition for our Promoters and Selling Shareholders

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

Name of the Promoter	Number of Equity Shares held	Average cost of acquisition per Equity Share (in ₹) (Pre-Demerger)[#]	Average cost of acquisition per Equity Share (in ₹) (Post Demerger)[#]
Satish Mehta	75,816,748	19.38	11.03
Sunil Mehta	11,085,012*	13.34	7.59

**Includes joint holding of Sunil Mehta with Kamini Mehta, Sunil Mehta being the first holder.*

[#]As certified by M/s. R.B. Sharma and Co., Chartered Accountants, by way of their certificate dated August 18, 2021.

Name of the Selling Shareholder	Number of Equity Shares held	Average cost of acquisition per Equity Share (in ₹) (Pre-Demerger)[#]	Average cost of acquisition per Equity Share (in ₹) (Post Demerger)[#]
Satish Mehta	75,816,748	19.38	11.03
BC Investments IV Limited	23,673,544	277.12	157.74
Sanjay Mehta[(1)]	15,764,028	10.46	5.95
Samit Mehta	13,547,632	5.50	3.13
Sunil Mehta[(2)]	11,085,012	13.34	7.59
Bhavana Mehta[(3)]	9,388,288	4.32	2.46
Kamini Mehta[(4)]	8,099,960	5.04	2.87
Namita Thapar	6,339,800	3.46	1.97
Sonali Mehta[(5)]	3,671,040	7.96	4.53
Pushpa Mehta	4,336,052	0.31	0.18
Arunkumar Khanna	1,200,000	2.23	1.27
Umakant Shah	578,572	0.81	0.46
Vikas Thapar	375,000	17.87	10.17
Surekha Shah	318,216	0.99	0.56
Mukund Gurjar	295,716	1.67	0.95
Smita Dilip Shah	216,000	1.11	0.63
Prakash Kumar Guha	192,856	1.33	0.76
Berjis Desai	192,856	1.23	0.70
Usha Shah	175,500	0.85	0.48
Shreekant Bapat[(6)]	175,084	10.00	5.69
Humayun Dhanrajgir[(7)]	154,284	1.53	0.87
Rustom Soonawala[(8)]	135,000	1.19	0.68
Suhasinee Shah[(9)]	129,216	1.02	0.58
Shaila Gujar	129,216	1.18	0.67
Smita Paresh Shah	129,216	1.18	0.67
Swati Shah[(10)]	129,216	1.18	0.67
Girish Desai	115,716	2.20	1.25
Jaydeep Desai[(11)]	115,716	2.20	1.25
Saumil Shah[(12)]	57,856	0.99	0.56
Jashvantlal Shah	57,856	0.99	0.56
Shriram Balasubramanian	38,572	1.33	0.76
Ranjanakumari Desai	28,928	0.99	0.56
Hitesh Jain	25,716	2.50	1.42

(1) Includes joint holding of Sanjay Mehta with Sonali Mehta, Sanjay Mehta being the first holder.
(2) Includes joint holding of Sunil Mehta with Kamini Mehta, Sunil Mehta being the first holder.
(3) Includes joint holding of Bhavana Mehta with Satish Mehta, Bhavana Mehta being the first holder.
(4) Includes joint holding of Kamini Mehta with Sunil Mehta, Kamini Mehta being the first holder.
(5) Includes joint holding of Sonali Mehta with Sanjay Mehta, Sonali Mehta being the first holder.
(6) Entire 175,084 Equity Shares jointly held by Shreekant Bapat with Alaka Bapat, Shreekant Bapat being the first holder.

(7) Entire 154,284 Equity Shares jointly held by Humayun Dhanrajgir with Jini Dhanrajgir, Humayun Dhanrajgir being the first holder.
(8) Entire 135,000 Equity Shares jointly held by Rustom Soonawala with Kamal Neville Tata with Feroze Rustom Soonawala, Rustom Soonawala being the first holder.
(9) Entire 129,216 Equity Shares jointly held by Suhasinee Shah with Saumil Shah, Suhasinee Shah being the first holder.
(10) Entire 129,216 Equity Shares jointly held by Swati Shah with Hetal Shah, Swati Shah being the first holder.
(11) Entire 115,716 Equity Shares jointly held by Jaydeep Desai with Shobhna Desai, Jaydeep Desai being the first holder.
(12) Entire 57,856 Equity Shares jointly held by Saumil Shah with Suhasinee Shah, Saumil Shah being the first holder.
#As certified by M/s. R.B. Sharma and Co., Chartered Accountants, by way of their certificate dated August 18, 2021.

For further details of the average cost of acquisition for our Promoters, see "*Capital Structure – Build-up of our Promoters' shareholding in our Company*" at page 109.

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

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.

Split / Consolidation of Equity Shares in the last one year

There has not been any split or consolidation of the Equity Shares of our Company in the one year preceding the date of this Draft Red Herring Prospectus.

SECTION II – RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. Prospective investors should carefully consider all information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. If any or some combination of the following risks actually occur, our business, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline and prospective investors may lose all or part of their investment. Investors in the Equity Shares should pay particular attention to the fact that we are subject to extensive regulatory environment that may differ significantly from one jurisdiction to other.

We have described the risks and uncertainties that our management believes are material, but these risks and uncertainties may not be the only ones we face. Some risks may be unknown to us and other risks, currently believed to be immaterial, could be or become material. To obtain a complete understanding of our business, prospective investors should read this section in conjunction with the sections "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" beginning on pages 177, 349 and 250, respectively. In making an investment decision, prospective investors must rely on their own examination of our business and the terms of the Offer, including the merits and risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences to them of an investment in our Equity Shares.

This Draft Red Herring Prospectus also contains forward-looking statements, which refer to future events that involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, which may cause the actual results to be materially different from those expressed or implied by the forward-looking statements. See "Forward Looking Statements" on page 25. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section.

Unless otherwise indicated, the industry-related information contained in this Draft Red Herring Prospectus is derived from the CRISIL Report dated August 2021 which has been commissioned and paid for by our Company for an agreed fee for the purposes of confirming our understanding of the industry exclusively in connection with the Offer. We officially engaged CRISIL Research, a division of CRISIL Limited, in connection with the preparation of the CRISIL Report on May 5, 2021. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant Financial Year. The data included in this section includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the Offer), that have been left out or changed in any manner.

*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 Proforma Condensed Consolidated Financial Information, which is included in "Proforma Condensed Consolidated Financial Information" beginning on page 332, to reflect the de-merger of our U.S. operations, including our U.S. subsidiary, Heritage Pharmaceuticals Inc. ("**Heritage**"), from our Company. For further details, see "History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/undertakings, mergers or amalgamation, and any revaluation of assets in the last 10 years" beginning on page 213, as well as "– Internal Risk Factors – Risks Related to our Business – We have de-merged our U.S. operations and have an indemnity from the resulting entity in relation to investigations by U.S. regulatory authorities and various ongoing civil and regulatory proceedings in the United States. However, we may incur additional expenses and losses in connection with such matters." and "– Internal Risk Factors – Risks Related to our Business – The Proforma Condensed Consolidated Financial Information included in this Draft Red Herring Prospectus to reflect the De-merger of our U.S. operations 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." in this section on pages 53 and 72, respectively.*

INTERNAL RISK FACTORS

Risks Related to Our Business

1. ***The COVID-19 pandemic, or any future pandemic or widespread public health emergency, could adversely impact our business, financial condition, cash flows and results of operations.***

The global impact of the COVID-19 pandemic has been rapidly evolving and public health officials and governmental authorities have responded by taking measures, including in India where our operations are based, such as prohibiting people from assembling in large numbers, instituting quarantines, restricting travel, issuing "stay-at-home" orders and restricting the types of businesses that may continue to operate, among many others. On March 14, 2020, India declared COVID-19 as a "notified disaster" for the purposes of the Disaster Management Act, 2005 and imposed a nationwide lockdown beginning on March 25, 2020. However, as our Company was determined to be operating in an essential industry, we were allowed to continue operations during the lockdown, subject to certain adjustments in working patterns. The lockdown lasted until May 31, 2020, and has been extended periodically by varying degrees by state governments and local administrations. The lifting of the lockdowns across various regions has been regulated with limited and progressive relaxations being granted for movement of goods and people in other places and calibrated re-opening of businesses and offices. More recently, since March 2021, due to new strains and subsequent waves of the COVID-19 virus leading to increases in infections, several state governments in India have re-imposed lockdowns, curfews and other restrictions to curb the spread of the virus. As a result of the detection of new strains and subsequent waves of COVID-19 infections in several states in India as well as throughout various parts of the world, we may be subject to further reinstatements of lockdown protocols or other restrictions, which may adversely affect our business operations.

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. Further, 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:

- we may be required to quarantine employees that are suspected of being infected with COVID-19 as well as other employees that have been in contact with those employees, and our employees may be restricted by travel and other lockdown measures imposed in India and overseas where they are located. This could result in a temporary reduction in the numbers of personnel or delays and suspension of operations in our sales force and/or R&D teams, and/or temporary shut downs of our manufacturing facilities as a health measure, which could have an adverse effect on our business operations or result in a delay in the production and supply of products to our customers in a timely manner;

- if any of our suppliers are affected by COVID-19, to the extent our supply chain is disrupted, our ability to meet the demand of our customers may be affected. For example, between February and June 2020, port and airport closures around the world resulted in disruptions in international freight shipments of raw materials to us and of our products to our customers. During his time, we also faced logistical challenges in India due to the restrictions on the movement of people and goods. As a result, we experienced delays in our manufacturing and product delivery timelines, and had to adjust our arrangements with our customers and suppliers accordingly;

- social distancing measures and restrictions may result in lower demand for discretionary medicines where medical clinics are shut down and elective surgeries are postponed or if we are unable to meet with doctors to market and promote our products; and

- increased risks emanating from process changes being implemented, such as technology, oversight and productivity challenges due to an increase in number of individuals working from home.

Although we have been able to maintain operations due to our Company being declared an essential business such that we were able to adjust our business to continue operating during the lockdown, we cannot assure you that further restrictions will not be introduced or that we will continue to retain such essential status. We have adopted measures to curb the spread of infection in order to protect the health of our employees and ensure business continuity with minimal disruption, and considered internal and external information when finalizing various estimates potentially affected by COVID-19 in relation to the preparation of our financial statements. 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 effect on customer demand for and ability to pay for our products; 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;

any extended period of remote work arrangements; and strain on our or our customers' business continuity plans.

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. Further, 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, disruptions at our manufacturing and R&D facilities, and our ability to attract and retain experienced Promoters, senior management and key R&D and sales personnel.

2. Any manufacturing or quality control problems may damage our reputation, subject us to regulatory action, and expose us to litigation or other liabilities, which could adversely affect our business, financial condition and results of operations.

Pharmaceutical companies, such as ours, have obligations to, and are required to comply with the regulations and quality standards stipulated by, regulators in India and other jurisdictions, including the State Food & Drug Administration, the Ministry of Biotechnology, the Ministry of Environment and the Ministry of Chemical and Fertilizer, USFDA, MHRA (United Kingdom), Health Canada, ANVISA Brazil, EDQM (Europe) and other regulatory agencies. Our manufacturing facilities and products are subject to periodic inspection/audit by these regulatory agencies, and if we are not in compliance with any of their requirements, our facilities and products may be the subject of a warning letter, which could result in the withholding of product approval for new products.

For example, in 2015, the USFDA inspected our three manufacturing facilities located at our Hinjawadi, Pune campus and found that the facilities were in violation of certain cGMP standards because procedures designed to prevent microbiological contamination of drug products purporting to be sterile were found inadequate. As a result, the USFDA issued an import alert on all human and animal drugs manufactured at the facilities, with the exception of a few drugs. Currently, only two products manufactured at the facilities are exempt from the import alert. The import alert allows such products to be subject to Detention Without Physical Examination ("**DWPE**") upon import into the United States. We have since taken actions to cure such non-compliance by addressing the deficiencies in line with the USFDA's recommendations, including implementing enhanced site practices and procedures with the assistance of independent third-party experts who comprehensively assessed the facilities. The USFDA conducted a re-inspection of the relevant facilities in 2019, wherein certain observations were issued to us, and we have taken remedial actions to address such observations. However, the import alert remains in place and we are currently waiting for updates from the USFDA for further re-inspection. In the meantime, we have transitioned the manufacturing of the relevant products to other facilities, which has enabled us to continue selling such products in the U.S. market. The facilities at our Hinjawadi, Pune campus have been approved by various other global regulatory agencies in recent years and during 2019 and 2020, the facilities were issued GMP certificates from TGA, Health Canada, HALMED Croatia, MOH Russia and WHO.

Further, we have, in the past, had certain of our products recalled due to contamination and sterility issues. For example, in 2018, a batch of our Clotrimazole product, an antifungal medication, was recalled in Europe for having a non-compliant disintegration time, and our Melphalan injection product, used to treat blood cancer, was also recalled in Europe due to opalescence being observed in the reconstituted version of the product. In 2019, two products that we manufacture for distribution in the United States, namely our Amikacin Sulfate injection, which is used for the short-term treatment of serious bacterial infections, and Prochlorperazine Edisylate injection, which is indicated to control severe nausea and vomiting and is also used for the treatment of schizophrenia, were recalled due to issues relating to microbial contamination in the drugs. In the same year, we had to recall our Ranitidine tablets, a drug that inhibits production of stomach acid, in the United States as a precautionary measure due to possible contamination of the tablets with a potentially carcinogenic agent. Further, between 2019 and 2020, the Canadian government issued recall alerts for certain products sold by our Canadian subsidiary, Marcan Pharmaceuticals Inc. ("**Marcan**"), including Marcan's Mar-Diltiazem CD, MAR-Ketorolac 10mg tablet and M-Pregabalin 25mg capsule products due to data integrity, impurity and assay concerns, respectively. While we were able to rectify the batch issues resulting in these recalls and resumed sales of most of the aforementioned products, and we have since then taken steps to improve our manufacturing practices and product quality control measures, we cannot assure you that there will not be any recalls of any of our products or investigations of our manufacturing facilities or our processes in the future and that such occurrences will not have an adverse effect on our business and results of operations.

In addition, we are required to meet various quality standards and specifications for, and may be subject to inspection/audit by, our customers under our supply contracts. Under the terms of certain of our customer contracts, we may be obligated 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 the products that we manufacture are not in compliance with those standards or specifications. Furthermore, we are exposed to liability in relation to the quality of our products for the entire duration of the shelf life of the product. We are susceptible to product liability claims especially in Europe and Canada, that may not be covered by insurance and which may require substantial expenditure and may adversely affect our reputation in the event such claims are made against us, whether or not such claims are valid. The risk of product liability suits is also likely to increase as we develop our own new patented products in addition to making generic versions of drugs that have been in the market for some time. In particular, we are in the process of developing an mRNA COVID-19 vaccine, and have submitted the interim Phase I clinical trials data and the Phase II and Phase III protocol for the vaccine to the CDSCO. We are also in development stages for three other vaccines on our mRNA platform, for Zoster, Zika and Rabies. We cannot assure you that any of our mRNA products will perform as expected and the innovative nature of such products could expose us to greater risk of product liability claims.

Certain other developments after our products reach the market could also adversely affect demand for our products, including the regulatory re-review of products that are already marketed, new scientific information, greater scrutiny in advertising and promotion, the discovery of previously unknown side effects or the recall or loss of approval of products that we manufacture, market or sell. We also face the risk of loss resulting from, and the adverse publicity associated with, manufacturing or quality control problems. Such adverse publicity harms the brand image of our products. Disputes over non-conformity of our products with such quality standards or specifications are generally referred to independent testing laboratories and subject to the final decision of the customer (unless the contract specifies otherwise). If any independent laboratory confirms that our products do not conform to the prescribed or agreed standards and specifications, we would bear the expenses of replacing and testing such products, which could adversely affect our business, financial condition and results of operations.

Although no product liability claims against us have been successful in the past, if any future product liability claims are successful, we could be liable to pay substantial sums of money. We and certain of our subsidiaries are currently subject to an ongoing product liability suit in the United States in relation to our Metformin Hydrochloride product sold within the United States market. For further details, see "*Outstanding Litigation and Material Developments – Other pending material litigations involving our Company – Civil proceedings against our Company"* on page 383. In certain foreign jurisdictions, the quantum of damages, especially punitive damages, awarded in cases of product liability can be extremely high. While we have a global product liability insurance policy covering third-party claims resulting from adverse reactions from our products, such insurance coverage does not cover losses resulting from product recalls or punitive/exemplary damages. Unsuccessful product liability claims would likely require us to incur substantial amounts on litigation, divert management's time, adversely affect our goodwill and impair the marketability of our products. The existence, or even threat, of a major product liability claim could also damage our reputation and affect consumers' views of our products, thereby adversely affecting our business, financial condition and results of operations. Any loss of our reputation or brand image may lead to a loss of existing business contracts and adversely affect our ability to enter into additional business contracts in the future.

3. Any delay, interruption or reduction in the supply or transportation of our raw materials or finished products, or an increase in the costs of such raw materials and finished products, may adversely impact the pricing and supply of our products and have an adverse effect on our business.

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 materials such as excipients, manufacturing consumables, lab chemicals and packaging materials. The finished products that we source from other pharmaceutical companies include, among others, types of branded and generic formulations such as Daonil (Glibenclamide) and Meropenem. We source a significant portion of our raw materials and finished products from multiple suppliers in India, China and Germany. For the Financial Years 2021, 2020 and 2019, amounts paid to our largest supplier amounted to ₹1,157.49 million, ₹610.79 million and ₹584.16 million, respectively, and no single supplier accounted for more than 5.00% of our proforma total expenses for such periods.

The raw materials and finished products we source from such third-party suppliers are subject to supply disruptions and price volatility caused by various factors outside of our control, including commodity market

fluctuations, the quality and availability of supply, currency fluctuations, consumer demand and changes in government policies, rules and regulations. Additionally, our reliance on such third-party suppliers are subject to certain risks, such as our inability to monitor the quality, safety and manufacturing processes on a continual basis at such third-party manufacturing facilities. As a result, we cannot assure you that we will be able to maintain high quality standards in respect of the products that such third-party suppliers provide us. We cannot assure you that we will be able to continue to obtain adequate supplies of our raw materials that meet our quality standards, at a commercially viable price, in a timely manner or at all. Our inability to continue to obtain raw materials and equipment could lead to the slowdown or shut-down of our operations or the under-utilization of our manufacturing facilities, which in turn may have an adverse effect on our business, financial condition, results of operations and cash flows.

Further, in the event of an increase in the price of raw materials, our product costs will also correspondingly increase, and we cannot assure you that we will be able to increase the price of our products to offset such costs. In addition, the available amounts of raw materials may not adjust in response to increasing demand in certain circumstances and we may not be a major customer of some of our suppliers. In the event that demand for such raw materials exceeds supply, our suppliers may prioritize the orders of other customers and choose to supply the raw materials we require to our competitors over us. Our suppliers may also experience disruptions at their manufacturing facilities, or may encounter financial hardships unrelated to our demand for raw materials, which could impede their ability to fulfil our orders and meet our requirements. In the event that the prices of the raw materials we require increase, or if one or more of our suppliers fail to provide the raw materials for our products, prioritize supplying our competitors, discontinue their operations or are otherwise unable to fulfil their contractual commitments to us, our ability to source raw materials at a suitable price and meet our order requirements may be adversely affected.

We are also dependent on third-party transportation providers for the transportation of most of our raw materials and outsourced finished products and delivery of our products to domestic and overseas customers. Factors such as increased transportation costs and transportation strikes could adversely impact the supply of raw materials that we require and the delivery of our products. In addition, products may be lost, delayed or damaged in transit for various reasons, including accidents and natural disasters. Any such reductions or interruptions in the supply of the raw materials and finished products we source from third parties, abrupt increases in the transportation prices of such raw materials and finished products, inability on our part to find alternate sources for the procurement of such raw materials and finished products or disruption/termination in arrangements with our transport agencies, all of which may be exacerbated by the COVID-19 pandemic, see "*— The COVID-19 pandemic, or any future pandemic or widespread public health emergency, could adversely impact our business, financial condition, cash flows and results of operations*" on page 43, may have an adverse effect on our ability to manufacture or deliver our products in a timely or cost effective manner and lead to a breach of our contractual obligations. The occurrence of any such event may adversely affect our business, financial condition, results of operations and cash flows.

4. A slowdown or shutdown in our manufacturing or R&D operations could adversely affect our business, financial condition and results of operations.

We have 14 manufacturing facilities and five dedicated R&D centers in India. 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, among others, breakdown and/or failure of equipment or industrial accidents which may entail 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, 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.

In addition, we may also be subject to manufacturing disruptions due to delays in receiving regulatory approvals, which may require our manufacturing facilities to cease or limit production until the required approvals are received, or disputes concerning these approvals are resolved. As regulatory approvals for manufacturing drugs are site-specific, production cannot be transferred to another location. Some of our products are permitted to be manufactured at only the specific facility which has received the requisite approvals, such that any closure of such facility will result in us being unable to manufacture such product for the duration of the closure or until we are able to secure the requisite approvals to manufacture that product at a different facility. 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.

Further, as of June 30, 2021, we employed a total of 9,186 permanent employees, of which 197 were located outside India. For more details, see "*Our Business – Description of our Business – Employees*" on page 201. Although we have not experienced any strikes or labor unrest in the past, we cannot assure you that we will not experience disruptions in work 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 directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations, which in turn could adversely affect our business, financial condition and results of operations and cash flows.

5. ***An adverse order, including imposition of penalties, in an investigation instituted by the Competition Commission of India against our Company and others, alleging cartelization in marketing of an oral anti-diabetes formulation, may have an adverse effect on our business, financial condition, results of operations and cash flows.***

On August 31, 2017, we received a notice under section 41(2) read with section 36(2) of the Competition Act, 2002 from the Additional Director General of Competition Commission of India (the "**CCI**"), pursuant to an order dated July 5, 2017 (the "**Order**") passed by the CCI. Pursuant to the Order, the CCI has directed the Director General to cause an investigation into an alleged cartelisation, involving four pharmaceutical companies, including our Company, in relation to the marketing of oral anti-diabetes formulation containing the active pharmaceutical ingredient Vildagliptin in India. This is a patented product that we do not own the patent to, and we only held a license to distribute the product. The CCI has also directed the Director General to investigate into (i) the marketing agreements entered into by the four pharmaceutical companies, including our Company, and (ii) the nature of the relationship existing between the said pharmaceutical companies. Our Company, by way of its letter dated September 26, 2017, has furnished all requested information to the Director General of the CCI. No further legal notice or communication from the CCI has been received in relation to this matter. The Supreme Court of India, pursuant to its order dated January 11, 2019, has directed the parties to maintain *status quo* in relation to these proceedings in response to a special leave petition filed by one of the other pharmaceutical companies involved in the proceedings. However, at this stage of the proceedings, we are unable to ascertain the impact, if any, on our Company arising out of the action(s) which may be undertaken by the CCI in this matter.

While we have responded to and furnished all requested information to the CCI on September 26, 2017, there can be no assurance that the CCI will accede to our submissions or will not pass any adverse order against our Company, including imposition of a penalty of up to the maximum prescribed amount under Section 27(b) of the Competition Act. Such penalty may extend up to (a) 10% of the average turnover of the company for the three preceding financial years; or (b) three times the company's profit or 10% of its turnover, for each year of the continuance of the existing cartel, whichever is higher. An adverse order by the CCI, and the imposition of a penalty imposed under the Competition Act, 2002, may adversely affect our Company's reputation, business, financial condition, results of operations and cash flows. For further details, see "*Outstanding Litigation and Material Developments – Litigation involving our Company*" on page 381.

6. ***We are subject to extensive government regulations and if we fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business, our business, financial condition, results of operations and cash flows may be adversely affected.***

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 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 such as the State Food & Drug Administration, the Ministry of Biotechnology, the Ministry of Environment and the Ministry of Chemical and Fertilizer, generally for carrying out our business and for each of our manufacturing facilities. Such requisite licenses, permits and authorizations including local land use permits, manufacturing permits, building and zoning permits, and environmental, health and safety permits. 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 (United Kingdom), Health Canada, ANVISA Brazil and EDQM (Europe), among others, both before and after a product's commercial release. For details of applicable regulations and policies applicable to our business and approvals required for our operations, including for details of applications made for material approvals that have expired and have not yet been renewed, see "*Key Regulations and Policies*" and "*Government and Other Approvals*" beginning on pages 203 and 390, respectively. If we fail to obtain or

maintain any required approvals, licenses, registrations and permissions, in a timely manner or at all, our business, financial condition and results of operations could be adversely affected.

For example, our facilities and products are subject to audit by various regulators, including the aforementioned regulatory authorities. If such audits or other reassessments result in warnings or sanctions, the relevant regulator may amend or withdraw our existing approvals to manufacture and market our products in such relevant jurisdiction, which could adversely affect our business, financial condition and results of operations. Regulatory authorities in many of our international markets must approve our products before we or our distribution agents can market them, irrespective of whether these products are approved in India or other markets. As of June 30, 2021, we had filed over 1,500 dossiers globally including 208 in the European Union and 122 in Canada. As of the same date, we had been granted 161 patents and had 98 pending patent applications in several countries, and had submitted 98 DMFs for APIs with various regulatory agencies across the world. The approval process for a new product is complex, lengthy and expensive, and can take up to several years from the date of application. We cannot assure you that we will successfully obtain or renew such approvals in a timely manner, or at all, and if we fail to meet the applicable statutory or regulatory requirements, there could be a delay in the submission or grant of approval for marketing new products. Further, governments in the markets in which we operate may heavily regulate the marketing of our products, including placing restrictions on the manner and scope of permissible marketing to physicians, pharmacies and other health care professionals. The effect of such regulations may be to limit the amount of revenue that we may be able to derive from a particular product. If we fail to comply fully with such regulations, then civil or criminal actions could be brought against us.

Further, the majority of the approvals we require are granted for a limited duration and require renewal, and are subject to numerous conditions. We cannot assure you that our approvals would not be suspended, revoked or fail to be renewed in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Applicable regulations have become increasingly stringent, a trend which may continue in the future. The penalties for non-compliance with these regulations can be severe, including the revocation or suspension of our business license and the imposition of fines and criminal sanctions in those jurisdictions. 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 in order to apply for and obtain these registrations and licenses in their name. As a result, certain approvals for marketing or manufacturing our products in certain jurisdictions are held by such distributors or manufacturers, and have not been obtained by local distributors or manufacturers in such jurisdictions and not by us or our subsidiaries. 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. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business, prospects, results of operations and financial condition. Moreover, 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. Further, 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.

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

Our business depends on our estimate of the long term demand for our formulations and API products from our customers. As is typical in the pharmaceutical industry, we maintain a reasonable level of inventory of raw materials, work-in-progress and finished goods. As of March 31, 2021, our total inventories amounted to ₹11,422.52 million. 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 be unable to meet the demand for our products, which could result in the loss of business. 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. Further, 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 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.

8. There are outstanding legal proceedings involving our Company, our Promoters, our Subsidiaries, our Directors and our Group Companies.

There are outstanding legal proceedings involving our Company, our Promoters, our Subsidiaries, our Directors and our Group Companies. These proceedings are pending at different levels of adjudication before various courts, tribunals and arbitrators, from which further liability may arise. The tables below set forth a summary of the litigation involving our Company, our Promoters, our Subsidiaries, our Directors and our Group Companies. The amounts involved in these proceedings have been summarized to the extent ascertainable and quantifiable. For further details of such outstanding legal proceedings, see "*Outstanding Litigation and Material Developments*" on page 381.

Type of Proceedings	Number of cases	Amount involved[*] (₹ in million)
Cases against our Company		
Criminal proceedings	3	N.A.
Actions taken by statutory or regulatory authorities	5	N.A.
Claims related to direct and indirect taxes	22	238.32
Other pending material litigation proceedings	3	N.A.
Total	33	238.32
Cases by our Company		
Criminal proceedings	31[#]	36.24
Other pending material proceedings	Nil	Nil
Total	31	36.24
Cases against our Subsidiaries		
Criminal proceedings	1	N.A.
Actions taken by statutory or regulatory authorities	1	N.A.
Claims related to direct and indirect taxes	18	342.06
Other pending material litigation proceedings	1	N.A.
Total	21	342.06
Cases by our Subsidiaries		
Criminal proceedings	22[##]	14.71
Other pending material proceedings	Nil	Nil
Total	22	14.71
Cases against our Promoters		
Criminal proceedings	3	N.A.
Actions taken by statutory or regulatory authorities	3	N.A.
Disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoters in the last five financial years.	Nil	Nil
Claims related to direct and indirect taxes	Nil	Nil
Other pending material litigation	1	N.A.
Total	7	N.A.
Cases by our Promoters		
Criminal proceedings	Nil	Nil

Type of Proceedings	Number of cases	Amount involved* (₹ in million)
Other pending material litigation	Nil	Nil
Total	Nil	Nil
Cases against the Directors		
Criminal proceedings	4	Nil
Actions taken by statutory or regulatory authorities	5	Nil
Direct and indirect taxes	Nil	Nil
Other pending material litigation	1	Nil
Total	10	Nil
Cases by the Directors		
Criminal proceedings	Nil	Nil
Other pending material litigation	Nil	Nil
Total	Nil	Nil
Cases against the Group Companies		
Pending litigation which has a material impact on our Company	3	N.A.
Total	3	N.A.
Cases by the Group Companies		
Pending litigation which has a material impact on our Company	Nil	N.A.

**To the extent ascertainable and quantifiable*
#These matters pertain to applications filed under Section 138 of the Negotiable Instruments Act, 1881
##20 matters pertain to applications filed under Section 138 of the Negotiable Instruments Act, 1881

In relation to such outstanding litigation matters involving our Company, our Promoters, our Subsidiaries, our Directors and our Group Companies, the amounts and interests involved in many pending litigations are not ascertainable or quantifiable and are hence not disclosed. In addition, our Company does not consider the entire amount involved or unquantifiable amount in respect of outstanding legal proceedings to be a present or a potential liability and hence contingency for the entire amount has not been provided for in our financial statements. Such proceedings could divert management time and attention, and consume financial resources in their defense or prosecution. Further, an adverse outcome in any of these proceedings may affect our reputation, standing and future business, and could have an adverse effect on our business, prospects, financial condition and results of operations. We cannot assure you that any of these proceedings will be decided in favor of our Company, our Promoters, our Subsidiaries, our Directors or our Group Companies, or that no further liability will arise out of these proceedings.

9. ***Pricing pressure from customers may affect our ability to maintain or increase our product prices and, in turn, our revenue from product sales, gross margin and profitability, which may adversely affect our business, financial condition and results of operations.***

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. Pricing pressure from customers may present in various forms including, among others, through our competitors lowering their prices for similar products or our customers negotiating for larger discounts in price as the volume of their orders increase.

When faced with pricing pressure, pharmaceutical developers and manufacturers like us would generally be required to reduce operating costs in order to maintain profitability. To maintain our profit margins, we typically seek to reduce the price of our raw materials through negotiations with our suppliers, improve our production processes to increase our manufacturing efficiency, and streamline product designs so as to reduce costs. 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.

10. ***Certain therapeutic areas contribute to a more significant portion of our total revenue in India, and our business, prospects, results of operations and financial condition may be adversely affected if our products***

in these therapeutic areas do not perform as expected or if competing products become available and gain wider market acceptance.

We generate a significant proportion of our revenue from our sale of products in certain therapeutic areas in India, such as the gynecology and cardiovascular therapeutic areas. For the Financial Years 2021, 2020 and 2019, our sales from the gynecology and cardiovascular therapeutic areas amounted to ₹17,136.89 million, ₹15,537.51 million and ₹14,169.52 million, representing 42.12%, 41.42% and 43.13%, respectively, of our total sales in India, according to CRISIL. Our revenues from sales of products in 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 increases and results in substitution, or we have to lower the prices of our products in these therapeutic areas, our revenue and/or profit margins from these therapeutic areas may decline. This could adversely affect our business, financial condition, results of operations and cash flows.

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

Over the last few years, we have expanded our operations and experienced considerable growth. According to CRISIL, between the Financial Year 2019 and the Financial Year 2021, our total sales in India grew at a CAGR of 11.28% from ₹32,856.00 million to ₹40,686.00 million. Over the same period, our total sales outside India grew at a CAGR of 32.80% from ₹14,306.19 million to ₹25,233.45 million. Such growth requires managing complexities across all aspects of our business, including those associated with increased headcount, integration of acquisitions, expansion of international operations, expansion of manufacturing and R&D facilities, execution on new lines of business 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 (i) increasing our market share in the domestic market, (ii) investing in our R&D and manufacturing capabilities to enhance and grow our biologics and vaccine capabilities, (iii) deepening and expanding our international presence, and (iv) pursuing strategic acquisitions, partnerships and in-licensing, see "*Our Business – Our Strategies*" beginning on page 185, 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.

For example, we may not be able to increase our market share in the domestic market if, among other things, the market growth in the therapeutic areas for which our key brands serve decreases, or if market acceptance for our competitors' products in these therapeutic areas increases, resulting in substitution, or our having to lower the prices, of our products for these brands. In addition, our unfamiliarity with new international markets we expand into may result in us encountering unanticipated challenges, including difficulties with registering our products and/or successfully recruiting and training our required on-the-ground sales force. Further, as we focus on the development of specific business lines and capabilities, such as our mRNA vaccine platform, certain new products may in the future account for significant portions of our revenue, which would expose us to greater concentration risk with respect to such business lines.

We may also face challenges developing, integrating, managing and motivating our rapidly growing headcount and increasingly dispersed employee base associated with our rapid growth, and if we are unable to maintain and grow our pool of R&D talent, including scientists, engineers and laboratory personnel, we would not be able to innovate and grow our portfolio of products. In addition, the enhancement and construction of new R&D and manufacturing and infrastructure are subject to certain risks including those associated with, among other things, shortages and late delivery of building materials and facility equipment resulting in delays or cost overruns, keeping up with latest technology and processes, delays or failure in securing the necessary governmental and other regulatory approvals, and insufficient demand for our products resulting in under-utilization of our expanded and new capacities. With respect to our strategic acquisitions,

partnerships and in-licensing arrangements, we may not achieve the targeted synergies from or successfully integrate acquisitions, and we may fail to acquire appropriate partners or our deals may be cancelled.

We cannot assure 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.

12. We have de-merged our U.S. operations and have an indemnity from the resulting entity in relation to investigations by U.S. regulatory authorities and various ongoing civil and regulatory proceedings in the United States. However, we may incur additional expenses and losses in connection with such matters.

On November 30, 2020, we filed a Composite Scheme of Arrangement with the National Company Law Tribunal in Mumbai (the "**NCLT**"), pursuant to which we have divested all of our holdings in our U.S. operations, including Heritage Pharma Holdings Inc. and its wholly-owned subsidiaries, Heritage Pharmaceutical Labs Inc., Heritage Pharmaceuticals Inc. ("**Heritage**") and Hacco Pharma Inc. (now known as AvetAPI Inc.), into the resulting entity, Avet Lifesciences Limited ("**Avet Life**") (the "**De-merger**"). The NCLT by its order dated June 4, 2021 has sanctioned the above scheme of De-merger, which is effective from April 1, 2021 (the "**Appointed Date**"). As a result of the De-merger, we no longer have a front-end marketing and sales team in the United States. For further details on the De-merger, see "*History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/undertakings, mergers or amalgamation, and any revaluation of assets in the last 10 years*" beginning on page 213.

Heritage is currently involved in ongoing antitrust/price fixing investigations and proceedings as further described below, some of which our Company and certain of our Company's employees have been implicated in.

DOJ investigations

Following U.S. congressional inquiries into the prices of generic pharmaceutical products beginning in October 2014, various governmental authorities, including the Antitrust Division of the U.S. Department of Justice (the "**DOJ**"), commenced investigations concerning possible collusion and anticompetitive conduct in the generic pharmaceutical industry, including Heritage. On May 7, 2018, Heritage received a civil investigative demand from the DOJ's Civil Division seeking documents and information in connection with a U.S. False Claims Act investigation. The DOJ investigated Heritage's conduct in connection with its communications and, in some cases, agreements with various competitors regarding the pricing and sales of approximately 20 different drugs sold by Heritage, with a focus on the time period ranging from at least June 2012 through December 2015. The DOJ also investigated our Company's role in such conduct. Following the investigations, in May 2019:

- Heritage conditionally resolved its criminal exposure by entering into a Deferred Prosecution Agreement (the "**DPA**") with the DOJ relating to Heritage's alleged involvement in a criminal antitrust conspiracy to fix prices and allocate the market for glyburide, a drug that treats diabetes. Pursuant to the DPA, Heritage paid a US$225,000 fine and agreed to cooperate fully in the ongoing investigation. In exchange, the DOJ has agreed to defer prosecuting Heritage for a period of three years (or until May 27, 2022) to allow Heritage to comply with the terms of the DPA. Upon Heritage's full and satisfactory completion of its obligations under the DPA, the DOJ agreed that it will not bring criminal charges against Heritage, or any individual covered under the DPA, for any act or offense committed before the date of the DPA in furtherance of an antitrust conspiracy involving the production or sale of glyburide in the United States, or related to antitrust conspiracies involving the production or sale in the US of certain other generic pharmaceutical products (as enumerated in the DPA);

- Heritage and our Company entered into a separate agreement with the DOJ under which Heritage and our Company received conditional leniency in connection with price fixing, bid rigging, market allocation or other conduct constituting a criminal violation of the Sherman Antitrust Act of 1890, in the U.S. generic pharmaceuticals industry for conspiracies involving the following drugs during the following time periods: acetazolamide ER, fosinopril HCTZ, glipizide-metformin, glyburide-metformin, hydralazine HCl, leflunomide, methimazole, metronidazole, nystatin, paromomycin, theophylline ER, and verapamil HCl (all April 1, 2014 through December 2, 2015); nimodipine (June 1, 2012 through December 2, 2015); and meprobamate (March 1, 2013 through December 2, 2015);

- Heritage entered into a settlement with the DOJ's Civil Division to resolve various claims under the False Claims Act. Pursuant to the terms of the agreement, Heritage paid US$7.1 million to the DOJ's Civil Division for conduct related to 17 pharmaceutical products; and

- our Company entered into a Non-Prosecution Agreement ("**NPA**") with the DOJ, under which our Company agreed to cooperate fully in the DOJ's ongoing criminal investigation. In exchange, the DOJ agreed under the terms of the NPA not to criminally prosecute our Company, or any of our Company's then-current officers, directors, and employees, in connection with the DOJ's criminal investigation for conspiracies involving the following drugs: glyburide, doxycycline hyclate DR, and doxycycline monohydrate.

Pursuant to the above agreements, we believe the DOJ's investigations into our Company with respect to the matter stated above have been concluded and, assuming that we continue to satisfy the conditions of the agreements with the DOJ, and the DOJ believes that we have done so, we believe that the DOJ matters described above have been resolved for our Company. We intend to fully satisfy the terms and conditions of our agreements with the DOJ. However, although we have completed the De-merger, we may face further liability if the above agreements are not complied with, which may have an adverse effect on our business, financial condition and results of operations.

State AG Complaint

Heritage, along with several other generic pharmaceutical drug manufacturers, has also been named in complaints filed by the attorneys-general of 47 U.S. states, the District of Columbia and the Commonwealth of Puerto Rico. The complaints have been consolidated into the State Attorneys General's Consolidated Amended Complaint (the "**State AG Complaint**"), which alleges that Heritage entered into various agreements to restrain trade in violation of federal and state antitrust laws, other state laws, and also includes unjust enrichment and other claims. The states seek damages under federal and state antitrust law, and some states also seek penalties under various other state statutes.

The State AG Complaint alleges such violations against Heritage arising out of its alleged conduct relating to the drugs that were the subject of its agreements with the DOJ, as well as other drugs sold by Heritage during the relevant time period. In addition, the State AG Complaint alleges that all defendants, including Heritage, entered into one or more "overarching conspirac(ies)" under which they allegedly agreed upon a framework from which many product-specific allegedly conspiracies sprang, the vast majority of which were never sold by Heritage. A limited number of complaints under the consolidated State AG Complaint have also named our Company and our Managing Director and Chief Executive Officer, Satish Mehta, as defendants. In these complaints, the product-specific claim against our Company and Satish Mehta relates only to doxycycline hyclate DR. These complaints allege that our Company, through our senior most executives and Board members, took active steps to initiate communications and facilitate a conspiracy between Heritage and Mylan, another pharmaceuticals company, to allocate and divide the market for doxycycline hyclate DR.

The State AG Complaint is currently in fact discovery and, given the stage of the proceedings, it is difficult to estimate the likelihood or extent of Heritage's, our Company's or Satish Mehta's potential liability, if any.

Civil Cases

Heritage is currently defending against various class-action and non-class action complaints that have been consolidated and transferred for pretrial purposes by the Judicial Panel on Multidistrict Litigation to the District Court for the Eastern District of Pennsylvania, and styled as *In re Generic Pharmaceuticals Antitrust Litig*., MDL Case No. 2724 (the "**Civil Cases**"), and in related civil cases that have, to date, not been so consolidated. Heritage first became a defendant in those cases on January 27, 2017, when the direct and indirect purchaser plaintiffs filed amended complaints and named Heritage as a defendant. The cases were filed as putative class actions and allege that Heritage and other defendants conspired to fix the prices of and allocate market share for generic digoxin and doxycycline. Heritage's alleged involvement in these actions only concerned one product, doxycycline. Since then, Heritage has been named in multiple other class action and non-class complaints involving other products that have been filed, in or transferred to, and consolidated with, the other pending complaints. The complaints allege similar conduct that is the subject of the aforementioned DOJ investigations and Stage AG Complaint. The other pharmaceutical manufacturers named as defendants are former, current, or potential competitors of Heritage and/or our Company in the U.S. generic market pharmaceutical market.

The Civil Cases have been filed by a putative class of direct purchasers, two putative classes of indirect purchasers, and by individual plaintiff purchasers which include grocery chains, insurance companies and pharmacies. All of the plaintiffs claim they were harmed by payment of artificially inflated prices of generic pharmaceuticals sold by Heritage and/or our Company (and the other defendants), with such harm allegedly arising from plaintiffs' direct and indirect purchases of products sold by Heritage and/or our Company, and/or by providing reimbursement for the purchase of Heritage's and our Company's products.

The Civil Cases are currently in fact discovery and, given the stage of the proceedings, it is difficult to estimate the likelihood or extent of Heritage's or our Company's potential liability, if any. The defendants have filed motions to dismiss each of the various complaints filed to date, or are waiting for the opportunity to do so under the court's schedule and pending motions. To date, the court has granted motions to dismiss some of the claims, and no complaint has been dismissed in its entirety.

In respect of the State AG Complaint and Civil Cases, we cannot assure you that we will prevail in defending these claims, either in part or entirely, or that we will not be found liable for the entire extent of the claims. Our Company has entered into an indemnity agreement with Avet Life, which provides that Avet Life will assume all losses or liability, and the payment obligation (if any), that would be owed by our Company in either the State AG Complaint or the Civil Cases under a negotiated settlement agreement, or an adverse verdict rendered by a jury against our Company or our officers, directors and employees. As a result of such indemnity agreement, our Company would be liable for any potential settlement obligation, or adverse jury verdict, only in the event that Avet Life is unable to fully satisfy such an obligation or verdict. At present, our Company believes that Avet Life will have sufficient resources to satisfy its obligations owed to our Company in connection with the State AG Complaint and Civil Cases. However, if we are ultimately found liable to pay damages, and Avet Life does not have sufficient funds to pay out the indemnity, we may be required to pay out the judgment debts from our own funds. We cannot assure you that we will have sufficient funds to pay out the judgment debts, or that we will continue to be solvent after paying them out. Such payments could result in us incurring substantial losses and facing significant liabilities, and our business, financial condition and results of operations would be materially and adversely affected. Further, the involvement of any of our executives or senior management personnel in the above ongoing litigation, including our Managing Director and Chief Executive Officer, Satish Mehta, may divert part of their time and attention from the management of our business as well as negatively affect our public image and reputation. Future developments in these proceedings may further impact our reputation and such personnel's ability to devote adequate time and attention to the management of our business, if at all, which would also materially and adversely affect our business, financial condition and results of operations.

13. The unsuccessful integration of any businesses in our acquisitions could result in operating difficulties, adversely affect our business, financial condition and results of operations as well as costly divestments.

We rely, in part, on inorganic growth to increase our revenue and expand our geographic presence. We have, in the past, evaluated and executed strategic acquisitions of companies, such as Marcan and Tillomed, products and technologies or entered into partnerships to strengthen our product and technology infrastructure. We may consider making additional acquisitions in the future to expand our business. Identifying suitable acquisition opportunities can be difficult, time consuming and costly. The rapid pace of technological development in the pharmaceuticals industry and the specialized expertise required makes it difficult for any single company to develop a broad portfolio of products. We cannot assure you that we will be able to identify suitable acquisition, strategic investment or joint venture opportunities at acceptable costs and on commercially reasonable terms, obtain the financing necessary to complete and support such acquisitions or investments, integrate such businesses or investments or that any business acquired or investment made will be profitable. Our inability to identify suitable acquisition opportunities, reach agreements with such parties or obtain the financing necessary to make such acquisitions within expected timeframes, or at all, could adversely affect our future growth.

In addition, acquisitions and investments involve a number of risks, including possible adverse effects on our operating results, exposure to future funding obligations, diversion of management's attention, failure to retain key personnel, currency risks, risks associated with unanticipated events or liabilities, possible contravention of applicable laws in relation to investment and transfer of shareholding, including any pre-emptive rights of existing shareholders of such entities and difficulties in the assimilation of the operations, technologies, systems, services and products of the acquired businesses or investments, as well as other economic, political and regulatory risks. Moreover, acquiring companies based outside of India involves additional risks, including those related to integration of operations across different cultures and languages, currency risks and the particular economic, political and regulatory risks associated with specific countries. We may not be able to satisfy certain regulatory requirements for such acquisitions. Additionally, the

anticipated benefit of many of our future acquisitions may not materialize. We cannot assure you that we will be able to realize synergies and the benefits from our acquisitions. If an acquisition turn***s*** out to be unsuccessful, we may face additional costs as well as divest the acquisition, which can be costly and time-consuming. Some of the terms under which we make some of our acquisitions may also contain onerous obligations, and we cannot assure you that we will be able to comply with such obligations. If we are unsuccessful in smoothly integrating an acquired company, our business, financial condition and results of operations may be adversely affected.

Further, the process of integrating an acquired company, business or technology is risky and may create unforeseen operating difficulties and expenditures or have an adverse impact on our financial condition or the price of our Equity Shares, including:

- potentially dilutive issuances of Equity Shares;
- the incurrence of debt, contingent liabilities or amortization expenses or write-offs;
- difficulties in integrating the operations, technologies, R&D activities, personnel and distribution, marketing and promotion activities of acquired businesses;
- ineffectiveness or incompatibility of acquired technologies and manufacturing practices;
- unavailability of financing on acceptable terms;
- make certain earn-out payments;
- potential loss of key employees of acquired businesses and cultural challenges associated with integrating employees from the acquired company into our organization;
- inability to obtain the necessary regulatory approvals, including those of the competition authorities, in countries in which we seek to consummate acquisitions;
- inability to maintain the key business relationships and the reputations of acquired businesses;
- responsibility for liabilities of acquired businesses;
- diversion of management's attention from other business concerns; and
- an inability to maintain our standards, controls, procedures and policies, which could affect our ability to assess the effectiveness of our internal control structure and procedures for financial reporting and increased fixed costs.

14. We have significant working capital requirements. If we experience insufficient cash flows to fund our working capital requirements or if we are not able to provide collateral to obtain letters of credit and bank guarantees in sufficient quantities, there may be an adverse effect on our business, cash flows and results of operations.

Our business requires significant working capital including to finance the purchase of raw materials and the development and manufacturing of products before payment is received from customers. Our working capital requirements may increase if the payment terms in our agreements include reduced advance payments or longer payment schedules. In addition, the actual amount of our future capital requirements may differ from estimates as a result of, among other factors, unforeseen delays, cost overruns, unanticipated expenses, regulatory changes, economic conditions, technological changes, additional market developments and new opportunities in the pharmaceutical industry. These factors may result in increases in the amount of our trade receivables and/or write-offs of trade receivables, and may result in increases in any future short-term borrowings. Continued increases in our working capital requirements may have an adverse effect on our results of operations, cash flows and financial condition.

Our sources of additional financing, where required to meet our working capital needs, have historically been from cash credit, term and working capital facilities. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, which may have a significant effect on our profitability and cash flows. We may also become subject to additional restrictive covenants in our financing agreements, which could limit our ability to access cash flows from operations and undertake

certain types of transactions. Further, any issuance of equity would result in a dilution of the shareholding of existing shareholders, our earnings per Equity Share and your interest in our Company, and could adversely impact our Equity Share price.

In addition, our cost and availability of funds is dependent on our credit ratings. Credit ratings reflect a rating agency's opinion of our financial strength, operating performance, industry position, and ability to meet our obligations. As of March 31, 2021, we had been assigned a rating of "A" stable by both CARE and CRISIL for our long-term bank facilities, short-term bank facilities and non-convertible debentures ("**NCDs**"). Any future performance issues for us or the industry may result in a downgrade of our credit ratings, which may increase interest rates for our future borrowings and, in turn, increase our cost of borrowings and adversely affect our ability to borrow on a competitive basis as well as impair our ability to renew maturing debt. In addition, any downgrade of our credit ratings could result in additional terms and conditions being included in any additional financing or refinancing arrangements in the future. If any of the foregoing were to occur, our business, financial condition and results of operations may be adversely affected.

Our ability to obtain additional financing on favorable terms, if at all, will depend on a number of factors, including our future financial condition, results of operations and cash flows, the amount and terms of our existing indebtedness, general market conditions and market conditions for financing activities and the economic, political and other conditions in the markets where we operate. We cannot assure you that we will be able to renew existing funding arrangements or obtain additional financing on acceptable terms, in a timely manner or at all, to meet our working capital needs. Our inability to do so may adversely affect our expansion plans, business, financial condition and results of operations.

15. If we do not maintain and increase the number of our arrangements for the marketing and distribution of our products, our business, financial condition and results of operations could be adversely affected.

In many of the markets in which we have a presence, we generally appoint a third-party entity to import, register and distribute our products. We also enter into arrangements with other pharmaceutical companies to market, sell and distribute our products in international markets on our behalf. We have limited control over the operations and businesses of such third-party entities. As such, our dependence on such parties subjects us to a number of other risks, including (i) not being able to control the amount and timing of resources that our partners may devote to the marketing, selling and distribution of our products, (ii) our partner's marketing, selling or distributing our products outside their designated territory, possibly in violation of the exclusive distribution rights of other distributors, (iii) our partners making important marketing and other commercial decisions concerning our products without our input, (iii) financial difficulties, and (iv) significant changes in a partner's business strategy that may adversely affect its willingness or ability to fulfil its obligations under any arrangement.

Further, we may not be able to find suitable partners or successfully enter into arrangements on commercially reasonable terms or at all. Moreover, we retain some of our partners and distributors on a non-exclusive basis, which allows them to engage with our competitors. We also compete for partners with other leading pharmaceutical companies that may have more visibility, greater brand recognition and financial resources, and a broader product portfolio than we do. If our competitors provide greater incentives to our partners, our partners may choose to promote the products of our competitors instead of our products.

As a result of these arrangements, many of the variables that may affect our business, are not exclusively within our control. Our reliance on, and inability to control, our local manufacturers and local sale, marketing and distribution agents could adversely affect our business, financial condition and results of operations. Further, if any of these arrangements is terminated for any reason, or if our partners fail to fulfil their obligations under the relevant agreements or otherwise do not effectively market, sell or distribute our products, or if our relationships with any of such partners are disrupted, our business, financial condition, results of operations and cash flows may be adversely affected.

16. We are subject to risks arising from exchange rate fluctuations.

Although our reporting currency is Indian Rupees, we transact a significant portion of our business in several other currencies, primarily in U.S. Dollars and Euros. For the Financial Years 2021, 2020 and 2019, proforma sales outside India amounted to ₹25,233.45 million, ₹16,879.35 million and ₹14,306.19 million, respectively, representing 50.13%, 42.02% and 40.72%, respectively, of our total proforma revenue from operations. Additionally, we also procure a significant portion of our raw materials from outside India and, as a result, incur such costs in currencies other than the Indian Rupee. Further, we continue to incur non-Rupee indebtedness in the form of external commercial borrowings and other foreign currency denominated

borrowings, which creates foreign currency exposure in respect of our cash flows and ability to service such debt. As of March 31, 2021, we had secured restated foreign currency loans from banks amounting to ₹4,665.46 million, as per our Restated Consolidated Financial Statements. We are therefore exposed to exchange rate fluctuations due to the revenue that we receive, the raw materials that we purchase and our financing arrangements that are denominated in currencies other than the Indian Rupee. 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 business, financial condition, results of operations and cash flows.

We closely monitor our exposure to foreign currencies and selectively enter into derivative contracts to hedge our exposure to movements in foreign exchange rates. However, these activities may not be sufficient to protect us against incurring potential foreign exchange related losses. Our use of these derivatives broadly subjects us to market and credit risk, including counterparty credit risk and the risk of incurring financial losses when foreign exchange rates move contrary to expectations or if our risk management procedures prove to be inadequate, which could adversely affect our results of operation, liquidity and financial condition.

17. If we are unable to patent new processes, obtain trademarks for our products, or protect such proprietary information, our business may be adversely affected.

We rely on a combination of patents, non-disclosure agreements and non-competition agreements to protect our proprietary intellectual property. As of June 30, 2021, we had been granted 161 patents and had 98 pending patent applications in several countries, and had submitted 98 DMFs for APIs with various regulatory agencies across the world. As of the same date, we held 2,069 trademarks and had 504 pending trademark applications. Due to the different regulatory bodies and varying requirements across the world, we may be unable to obtain intellectual property protection in those jurisdictions for certain aspects of our products or technologies. Moreover, our existing patents may expire, and we cannot assure you that we will renew, or will be able to renew, them after expiry. Any inability to patent new processes and protect our proprietary information could adversely affect our business. We also rely on non-disclosure agreements and non-competition agreements with certain employees, consultants 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.

While we intend to defend against any threats to our intellectual property, we cannot assure you that our patents, trade secrets or other agreements will adequately protect our intellectual property. Our patent rights may not prevent our competitors from developing, using or commercializing products that are functionally equivalent or similar to our products. The process of seeking patent protection can be lengthy and expensive. Further, our patent applications may fail to result in patents being issued, and our existing and future patents may be insufficient to provide us with meaningful protection or a commercial advantage. We cannot assure you that our pending patent applications will result in grant of patents, that patents issued to or licensed by us in the past or in the future will not be challenged or circumvented by competitors or that such patents will be found to be valid or sufficiently broad to protect our technology or to provide us with any competitive advantage. We may be required to negotiate licenses for patents from third parties to conduct our business, which may not be available on reasonable terms or at all.

In addition, we have applied for certain registrations in connection with the protection of our intellectual property relating to trademarks of our products. Certain of our trademarks, including those for certain products that we currently sell, are either unregistered, have expired, been removed, opposed, withdrawn, refused, objected or are otherwise under dispute. 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. Further, we in-license certain pharmaceutical products from multi-national corporations and we cannot assure you that the intellectual property licensed to us by the out-licensor corporations are or will be valid. The invalidity of the out-licensor's intellectual property may result in the invalidity of our in-license. We may not be able to manufacture or sell those products that rely on the in-license. Our inability to obtain or maintain these registrations may adversely affect our competitive position and, in turn, our business, financial condition and results of operations.

18. If we inadvertently infringe on the patents of others, our business may be adversely affected.

We operate in an industry characterized by extensive patent litigation, 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 significant damages being awarded and injunctions that could prevent the manufacture and sale of certain products or require us to pay significant royalties in order to continue to manufacture or sell such products. For example, in 2015, Sumitomo Dainippon Pharma Co. ("**Sumitomo**") filed a patent infringement lawsuit against our Company and two other pharmaceutical companies, after each of us individually filed applications with the USFDA for approval to manufacture and sell lurasidone tablets, which are used to treat schizophrenia and bipolar disorder, in the United States. Sumitomo's basis for its claims was that it had copyrighted and patented a lurasidone drug under the name "LATUDA", and our application to sell lurasidone tables in the United States was consequently not approved by the USFDA. We were subsequently subject to a patent infringement suit by Sumitomo. In November 2018, we reached a settlement with Sumitomo pursuant to which the litigation was dismissed in its entirely with no liability established against our Company and we obtained a license from Sumitomo to sell its lurasidone product.

In the event that any disputes in relation to alleged infringement on patents are initiated involving our Company, it will not be possible to predict the outcome of patent litigation. Any adverse result of such litigation could include an injunction preventing us from selling our products or payment of significant damages or royalty, which would affect our ability to sell current or future products or prohibit us from enforcing our patent and proprietary rights against others. The occurrence of any of these risks could adversely affect our business, financial condition and results of operations.

19. The pharmaceutical industry is intensely competitive and if we cannot respond adequately to the increased competition we expect to face, we will lose market share and our profits will decline, which will adversely affect our business, financial condition and results of operations.

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, multi-national corporations and companies from the rest of the world. If our competitors gain significant market share at our expense, particularly in the therapeutic areas in which we are focused such as the gynecology, cardiovascular, oncology/anti-neoplastics, anti-infectives, HIV 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, more experience in obtaining regulatory approvals, 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.

Further, we face competition from manufacturers of patented brand products who do not face any significant regulatory approvals or barriers to enter into the generics market for the territories where the brand is already approved. These manufacturers 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. Any failure on our part to gain an advantage could adversely affect our profitability and results of operations.

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.

20. Non-compliance with and changes in environmental, health and safety, and labor laws and other applicable regulations may adversely affect our business, financial condition, results of operations and cash flows.

We are subject to various laws and regulations in relation to environmental protection, such as the Water Pollution Act, Air Pollution Act, the Environment Act as well as international environmental laws and regulations, health and safety, and labor. 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. For example, the discharge or emission of chemicals, dust or other pollutants into the air, soil or water that exceeds permitted levels and causes damage to others may give rise to liabilities

towards the government and third parties and may result in our incurring costs to remedy any such discharge or emission. Our products, including the process of manufacture, storage and distribution of such products, are subject to numerous laws and regulations in relation to quality, health and safety. 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 203.

We handle and use hazardous materials in our R&D and manufacturing activities. The improper handling or storage of these materials could result in accidents, injure our personnel, and damage our property and/or the environment. See also "– *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 highly flammable and hazardous. We are also subject to the risk of other natural calamities or general disruptions affecting our production facilities and distribution chain.*" on page 60. We seek to prevent such hazards by training our personnel, conducting industrial hygiene assessments and employing other safety measures. However, we cannot assure you that we will not experience accidents in the future. Any accident at our facilities may result in personal injury or loss of life, substantial damage to or destruction of property and equipment resulting in the suspension of operations. In addition, we may be required to incur costs to remedy the damage caused, pay fines or incur other penalties for non-compliance. Further, laws and regulations may limit the amount of hazardous and pollutant discharge that our manufacturing facilities may release into the air 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 lower our profits in the event we were found liable, and could also adversely affect our reputation. 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. Further, in the event that any of our manufacturing facilities or operations at such manufacturing facilities are shut down or suspended, we may continue to incur costs in complying with regulations, appealing any decision to close or suspend our facilities, maintaining production at our existing facilities and continuing to pay labor and other costs, despite such closure or suspension.

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. We cannot assure you that we will not be found to be in non-compliance with, or remain in compliance 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. Further, non-compliance with such environmental laws and regulations may subject us to regulatory action, including monetary penalties. In addition, we do not carry any insurance to cover environmental-related losses and liabilities in India.

21. 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 highly 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 highly flammable and hazardous materials, such as acetone, ethanol, methanol and toluene, in our R&D and manufacturing processes. The improper handling or storage of these materials could result in fire, industrial accidents, injuries to our personnel, property and damage to the environment. Although we try to prevent such hazards by implementing and continuously upgrading industry-acceptable risk management controls at our manufacturing locations, training our personnel, conducting industrial hygiene assessments and employing other safety measures, we cannot assure you that we will not experience fires and other accidents. In the past, we have had minor interruptions in production as a result of fire. In addition to fires, natural calamities such as floods, earthquakes, rains, inundations and heavy downpours 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 the damage caused by such discharges, pay fines or other penalties for non-compliance. While we maintain industrial all risk insurance to guard against losses caused by fires, the insurance coverage may not be sufficient to cover all of our potential losses, see also "– *Our insurance coverage may not be sufficient or adequate to cover our losses or liabilities. If we suffer a*

large uninsured loss or if we suffer an insured loss that significantly exceeds our insurance coverage, our financial condition and results of operations may be adversely affected." on page 64. If any of the foregoing were to occur, our business operations, financial condition and results of operations could be adversely affected.

22. We are exposed to counterparty credit risk and any delay in receiving payments or non-receipt of payments may adversely impact our business and results of operations.

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 7 to 45 days and 30 to 180 days for our domestic and export customers, respectively. We cannot assure you that we would be able to accurately assess the creditworthiness of our customers. Further, macroeconomic conditions, which are beyond our control, could also result in financial difficulties for our customers, including limited access to the credit markets, insolvency or bankruptcy. Such conditions could cause our customers 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. Timely collection of payments from customers also depends on our ability to complete our contractual commitments and subsequently invoice and collect from our customers. If we are unable to meet our contractual obligations, we may experience delays in the collection of, or be unable to collect, our customer balances, which could adversely affect our business, financial condition and results of operations and cash flows. For details on our trade receivables, see "*Financial Statements*" beginning on page 250.

23. Some of our corporate records relating to forms filed with the RoC are not traceable.

The form for return of allotment, i.e. Form 2, filed with the Ministry of Corporate Affairs in India (the "**MCA**") for certain past allotments of Equity Shares made by our Company from May 15, 1981 until January 23, 1999, and the form for change in address of registered office, i.e. Form 18, filed with the MCA for changes in relation to our registered office prior to July 23, 2001, could not be traced as the relevant information was not available in the records maintained by our Company, at the MCA Portal maintained by the MCA and the RoC, despite conducting internal searches and engaging an independent practicing company secretary to conduct the search. While certain information in relation to these allotments and changes in relation to the registered office has been disclosed in the sections "*Capital Structure*" and "*History and Certain Corporate Matters*" beginning on pages 101 and 211, respectively, in this Draft Red Herring Prospectus, based on the board resolutions, statutory registers of members and audited financial statements of our Company, and based upon the details provided in the search report dated August 17, 2021 prepared by Manish Ghia & Associates, independent practicing company secretary, and certified by their certificate dated August 17, 2021, we may not be able to furnish any further information other than as already disclosed in "*Capital Structure*" and "*History and Certain Corporate Matters*" beginning on pages 101 and 211, respectively, or that the records mentioned above will be available in the future. We also cannot assure you that we will not be subject to any adverse action by any authority in relation to such untraceable records.

Additionally, in relation to the build-up of the equity shareholding of our Promoters, the share transfer forms for certain past transfers by our Promoters could not be traced or certain records are inconsistent or we do not otherwise possess the share transfer forms indicating the consideration involved. Accordingly, we have relied on other available corporate records, including statutory registers, board resolutions, resolutions of the Stakeholders' Relationship Committee (previously known as the Investor Grievance and Share Transfer Committee), annual returns, ledger accounts and bank account statements of our Promoters in order to include information relating to such transfers. Further, for certain transmissions of shares, we have relied on the copies of the wills of the deceased shareholders and the register of members for the number of equity shares transmitted, where the application form for transmission of equity shares or other records are untraceable. For details of such transfers, please see "*Capital Structure*" beginning on page 101. While certain information in relation to the share transfers has been disclosed in this Draft Red Herring Prospectus including in "*Capital Structure*" beginning on page 101 based on the aforementioned documents, we may not be able to furnish any further information other than as already disclosed herein.

While no legal proceedings or regulatory action has been initiated against our Company in relation to untraceable secretarial and other corporate records and documents as mentioned above, as of the date of this

Draft Red Herring Prospectus, we cannot assure you that such legal proceedings or regulatory actions will not be initiated against our Company in future.

24. In the event that we are found to not be in compliance with applicable regulations in relation to regulatory filings or corporate actions, we may be subject to regulatory actions or penalties and our reputation and business may be adversely affected.

There have been certain discrepancies in relation to the disclosures in the filings required to be made by us with the RoC under the Companies Act, 1956 and the Companies Act, 2013. We have filed applications for compounding of offences with the RoC, with respect to (a) non-inclusion of necessary details in Form AOC-2, (b) wrongful classification of assets as plant and machinery, (c) failure in attachment of Form AOC-1 with the director's report, (d) wrongful classification of stock of promotional materials and physician's samples under the head of short term and loans and advances instead of classifying under the head of other current assets, (e) failure in making provisions for doubtful debts in respect of old balances, (f) non-disclosure of state of affairs in the directors' report, (g) not obtaining shareholders' approval for certain related-party transactions, and (h) non-compliance with the provisions in relation to directors liable to retire by rotation. While our Company has paid the penalties under the respective applications and compounded certain offences, we cannot assure you that there will not be any similar discrepancies in our filings in the future, which may subject us to regulatory actions and/or penalties in the future. For further details, see "*Outstanding Litigation and Material Developments*" beginning on page 381.

25. Our inability to attract or retain companies who are looking to us for marketing and licensing in the future could adversely affect our market share. If the covenants in our agreements with such companies are onerous or commercially restrictive, our results of operations and financial condition could be adversely affected.

Multi-national corporations look to enter into marketing arrangements with reputable Indian companies that have a significant marketing presence and distribution network in India. Similarly, companies that do not have a marketing presence in international markets look for companies to sell their products internationally. A number of multinational companies have entered into marketing and in-licensing agreements with our Company for the sale and distribution in India of some of their products.

We cannot assure you that we will be able to continue to enter into new marketing and in-licensing agreements with multi-national corporations or that we will be able to attract such companies to enter into these agreements with us for the Indian and international markets. With respect to our in-licensing agreements, which terminate after the agreed term, we cannot assure you that we will be able to obtain additional licenses and/or maintain our existing licenses. Additionally, certain of our marketing and in-licensing agreements contain covenants that may be onerous and commercially restrictive in nature such as covenants that (i) impose penalties for an event of default as a result of failing to meet with certain requirements; and (ii) allow the counterparty the right to terminate the agreement in the event of (a) a change of control, (b) our Company directly or indirectly challenging the patent licensed, (c) our Company failing to obtain the sales objectives specified under the agreement, and (d) our Company failing to demonstrate within a specified time period that it has obtained necessary approvals, as required. Violating any of these covenants may result in events of default, which may result in breaches of contracts, claims against us or termination of the contracts, any of which could adversely affect our business, financial condition and results of operations.

26. Our success depends on our ability to develop and commercialize products in a timely manner. If our R&D efforts do not succeed or the products we commercialize do not perform as expected, this may hinder the introduction of new products, and could adversely affect our business, financial condition and results of operations.

Our success depends significantly on our ability to develop and commercialize new pharmaceutical products in India and across our various international markets. The development and commercialization process is both time consuming and costly, and involves a high degree of business risk. Commercialization requires us to successfully develop, test, manufacture and obtain the required regulatory approvals for our products, while complying with applicable regulatory and safety standards. In order to develop a commercially viable product, we must demonstrate, through extensive trials that the products are safe and effective for use in humans.

For example, clinical drug development involves a lengthy and expensive process with uncertain outcomes, and we may be unable to achieve successful results in our clinical trials. The development of new products may be delayed by unsuccessful clinical trials that produce negative or inconclusive results or demonstrate

unacceptable health risks, or if we are unable to obtain sufficient funding or the cost of such trials is higher than anticipated, or the supply or quality of the materials necessary to conduct the trials is inadequate. Our new products, if and when fully developed and tested, may not perform as we expect, 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. Further, it may take an extended period of time for our new products to gain market acceptance, if at all.

In order to remain competitive, we must develop, test and manufacture new products, which must meet regulatory standards and receive requisite regulatory approvals. To accomplish this, we commit substantial effort, funds and other resources towards R&D in areas which we believe have significant growth potential. Our R&D operations are focused on developing new products and complex molecules as well as improving the efficiency of our existing products. To accomplish this, we commit substantial effort, funds and other resources towards our R&D activities. As of June 30, 2021, we had five R&D facilities located in India, and for the Financial Years 2021, 2020 and 2019, we spent ₹1,965.66 million, ₹1,631.81 million and ₹1,781.36 million, representing 3.91%, 4.06% and 5.07% of our total proforma revenue from operations, respectively, on R&D.

Our ongoing investments in new product launches and R&D for future products could result in higher costs without a proportionate increase in revenues. Delays in any part of the process, our inability to obtain necessary regulatory approvals for our products or failure of a product to be successful at any stage and therefore not reach the market could adversely affect our goodwill and affect our operating results. We may or may not be able to take our R&D innovations through the different testing stages without repeating our R&D efforts or incurring additional amounts towards such research. During these periods, our competitors may be developing similar products of which we are unaware of that could compete directly or indirectly with our products under development, and may commercialize similar products before us. Such unforeseen competition may hinder our ability to effectively plan the timing of our product development, which could have an adverse impact on our financial condition, results of operations and cash flows. Some of our dossier sale and supply agreements generally provide that in the event market circumstances, generic competition, product innovation or other factors force our products or our distributors to not be competitive in the market, our distributors and customers have a right to prematurely terminate their respective agreements with us and return any such products which are so rendered uncompetitive which could have an adverse effect on our business, financial condition and results of operations.

We have developed a domestic mRNA vaccine platform. We are in the process of developing an mRNA COVID-19 vaccine, and have submitted the interim Phase I clinical trials data and the Phase II and Phase III protocol for the vaccine to the CDSCO. We are also in development stages for three other vaccines on our mRNA platform, for Zoster, Zika and Rabies. We cannot assure you that any of our mRNA products will successfully pass all phases of testing and approval. In addition, we have been granted funding from the Government of India for the development of our COVID-19 vaccine. In exchange, the Government of India has imposed certain conditions, including that the Government of India will have the right to obtain the first phase of our COVID-19 vaccine production. We cannot assure you that there will be sufficient COVID-19 vaccines remaining in our supplies for export or commercial sales.

27. We currently rely extensively on our systems including information technology systems and products processing/quality assurance systems and their failure could adversely affect our manufacturing operations.

We rely extensively on the capacity and reliability of the information technology systems, processing and quality assurance systems that support our operations. The size and complexity of our computer systems make them potentially vulnerable to breakdown, malicious intrusion and computer viruses. To date, although we have not experienced a major disruption in our manufacturing operations due to failure of such systems, we cannot assure you that we will not encounter disruptions in the future, and any such disruption may adversely affect our business. Any such disruption may result in the loss of key information and disruption of production and business processes, which could adversely affect our business, financial condition, results of operations and cash flows. In addition, our systems are potentially vulnerable to data security breaches, whether by employees or others that may expose sensitive data to unauthorized persons. Such data security breaches could lead to the loss of trade secrets or other intellectual property, or could lead to the public exposure of personal information (including sensitive personal information) of our employees, customers and others. Any such security breaches could have an adverse effect on our reputation, business, financial condition and results of operations.

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

Our principal types of coverage include insurance for industrial all risk, standard fire and special perils, special contingency, marine transit insurance, terrorism and political risk violence, money, plate glass, boiler explosion, burglary and theft, clinical trial, group health insurance, and directors' and officers' liability. As of March 31, 2021, we had insured ₹17,025.46 million and ₹12,339.49 million, respectively, of our total fixed tangible assets and inventories, which represented 99.63% and 81.48%, respectively, of the written down value of our total fixed tangible assets and inventories as per our Restated Consolidated Financial Statements. While we maintain insurance coverage in amounts that we believe are consistent with industry norms and would be adequate to cover the normal risks associated with the operation of our business, our insurance policies do not cover all risks and are subject to exclusions and deductibles. In addition, we cannot assure you that any claim under the insurance policies maintained by us will be honored fully, in part or at all, or on time, or that we have taken out sufficient insurance to cover all our potential losses.

In particular, our business and assets are subject to hazards inherent in manufacturing facilities and could suffer damage from risks 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. Any accident at our facilities may result in personal injury or loss of life, substantial damage to or destruction of property and equipment resulting in the suspension of operations. Such damage and losses may not be fully compensated by insurance. 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 cannot be certain that our product liability insurance will, in fact, be sufficient to cover such claims or our policy limits will be sufficient to cover such claims or that we will be able to maintain adequate insurance coverage in the future at acceptable costs. Further, we may not have taken insurance or may not have vendor extension covers from our partners' insurance policies in the countries into which we export our products. A successful product liability claim that is excluded from coverage or exceeds our policy limits may require us to pay substantial sums and may adversely affect our financial position and results of operations. In addition, insurance coverage for product liability may become prohibitively expensive in the future. From time to time, the pharmaceutical industry has experienced difficulty in obtaining desired product liability insurance coverage.

If any or all of our facilities are damaged in whole or in part or we are subject to litigation or claims or our operations are interrupted for a sustained period, we cannot assure you that our insurance policies will be adequate to cover the losses that may be incurred as a result of such interruption or the costs of repairing or replacing the damaged facilities. For example, during the Financial Year 2020 as per Restated Consolidated Financial Statements, we wrote off insurance claim receivables amounting to ₹281.65 million on account of significant delays in receiving payouts from our insurers in relation to claims for reimbursement of expenditure incurred in litigation proceedings. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable costs or at all. To the extent that we suffer loss or damage for which we have not obtained or maintained insurance, or which is not covered by insurance, which exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us. If we suffer a large uninsured loss or if any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition, results of operations and cash flows may be adversely affected.

29. Our success depends on our ability to retain and attract qualified senior management and other key personnel, and if we are not able to retain them or recruit additional qualified personnel, we may be unable to successfully develop our business.

Our performance depends largely on the efforts and abilities of our Promoters, senior management and other key personnel, see "*Our Management*" and "*Our Business – Description of Our Business – Employees*" beginning on pages 227 and 201. We believe that the inputs and experience of our Promoters, senior management and key managerial personnel are valuable for the growth and development of business and operations and the strategic directions taken by our Company. Our business and operations are led by our qualified, experienced and capable management team, comprising scientists, engineers and management school graduates, the loss of whose services might significantly delay or prevent the achievement of our business or scientific objectives. Competition among pharmaceutical companies for qualified employees is intense, and the ability to retain and attract qualified individuals is critical to our success. Furthermore, as we

expect to continue to expand our operations and develop new products, we will need to continue to attract and retain experienced senior management and key R&D and sales personnel.

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. Further, the members of our management team and other key personnel are employed pursuant to customary employment agreements, which may not provide adequate incentive for them to remain with us or adequately protect us in the event of their departure or otherwise. We cannot assure you that we will be able to recruit and retain qualified and capable employees or find adequate replacements in a timely manner, or at all. We do not maintain insurance to insure against the loss of key personnel. If we lose the services of any of member of our management team or key personnel, we may be unable to locate suitable or qualified replacements, and may incur additional expenses to recruit and train new personnel, which could adversely affect our business operations and affect our ability to continue to manage and expand our business. Further, we may require a long period of time to hire and train replacement personnel. The loss of the services of such persons may have an adverse effect on our business, results of operations and cash flows.

30. If third parties on whom we rely for clinical trials do not perform their obligations as contractually required or as we expect, and do not comply with cGMP or other applicable regulations, we may not be able to obtain regulatory approval for or commercialize our products.

Before obtaining regulatory approvals for the sale of some of our products, we are required to conduct extensive clinical trials to demonstrate the safety and efficacy of our products in humans. For this purpose, we depend on independent clinical investigators, contract research organizations and other third-party service providers to conduct clinical trials and pre-clinical investigations of our new products and expect to continue to do so. We rely on such parties for successful execution of our clinical trials, but we do not control many aspects of their activities. Third parties may also not complete activities on schedule or may not conduct our studies in accordance with applicable trial, plans and protocols. Nonetheless, we are responsible for confirming that each of our clinical trials is conducted in accordance with its general investigational plan and protocol. If third parties fail to carry out their obligations, product development, approval and commercialization could be delayed or prevented or an enforcement action could be brought against us.

Our reliance on these third parties does not relieve us of our responsibility to comply with the regulations and standards of the USFDA and other regulatory authorities related to good clinical practices. In particular, these third-party manufacturers and service providers must comply with cGMP and other applicable regulations, and their failure to do so could result in warning or deficiency letters from regulatory authorities, which could interfere with or disrupt their ability to complete our studies on time, thereby affecting our product approval process or even forcing a withdrawal of our product which may adversely affect our business, financial condition and results of operations.

31. Delay or failure in the performance of our contracts, whether on our part or on the part of a sub-contractor, may adversely affect our business, financial condition and results of operations.

Our contracts with our partners require us to supply our products, or require our partners to supply us their products, in compliance with specific delivery schedules. For example, our licensing and supply agreements with partners contain provisions that require us to provide such partners with certain quantities of our products. If we fail to supply the requisite quantities of our products at the stipulated dates, we will breach such contractual obligations. In particular, pursuant to our arrangement with most of our multi-national company partners, if we fail to supply specified quantities of licensed products, such partners have the right to manufacture such products themselves or procure such products from third parties, both at our expense.

Our or any of our partners' failure to adhere to contractually agreed timelines to deliver or receive our products on a timely basis, or at all, may have the following consequences, which could adversely affect our business, financial condition and results of operations: (i) delayed payment to us for our products; (ii) liquidated damages may become payable by us; (iii) performance guarantees may be invoked against us; (iv) claims may be brought against us for losses suffered as a result of our non-performance; (v) our clients may terminate our contracts; and (vi) damage to our reputation.

We also sub-contract part of our operations to sub-contractors and distributors, including for warehousing, packaging, logistics and distribution. For such contracts, the performance of the contract for our client or distributor depends partly on the performance of our sub-contractors. We cannot assure you that those sub-contractors and distributors, will be able to successfully carry out these processes in the requisite time. Additionally, where our failure to supply products arises due to our subcontractors' failure to perform, our

subcontractors may not have adequate financial resources to meet their indemnity obligations to us. The occurrence of any of these possibilities may adversely affect our business, financial condition and results of operations.

32. We appoint contract labor for carrying out certain of our operations and we may be held responsible for paying the wages of such workers if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our financial condition, results of operations and cash flows.

In order to retain flexibility and control costs, in addition to our employees, we appoint independent contractors who in turn engage on-site contract labor for performance of certain of our operations in India. Although we do not engage these laborers directly, we may be held responsible for any wage payments to be made to such laborers in the event of default by such independent contractors. As of June 30, 2021 we had engaged 2,003 third-party laborers in connection with our operations. Any requirement to fund their wage requirements may have an adverse impact on our business, financial condition, results of operations and cash flows. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such contract laborers as permanent employees. Thus, an order from a regulatory body or court in this regard may have an adverse effect on our business, financial condition, results of operations and cash flows.

33. We are currently entitled to certain tax incentives and export promotion schemes. Any decrease in or discontinuation in policies relating to tax, duties or other such levies applicable to us may affect our results of operations.

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. For further details on our favorable tax treatments, see "*Statement of Possible Special Tax Benefits*" on page 138. Under such schemes, we are required to export goods of a defined amount, failing which we may have to pay the Government of India a sum equivalent to the duty benefit enjoyed by us under such schemes along with interest. These tax benefits include:

- one of our Company's manufacturing facilities located in the state of Jammu and Kashmir is eligible for (i) reimbursement of 29% of the integrated tax that is paid using debit in the cash ledger maintained by the unit in accordance with Section 20 of the Integrated Goods and Services Act, 2017 after utilizing the Input Credit of the Central Tax and Integrated Tax, and (ii) reimbursement of 58% of the Central tax that is paid using debit in the cash ledger account maintained by the unit in accordance with Sub - Section (1) of Section 49 of the Central Goods and Services Act, 2017 after utilizing the Input Credit of the Central Tax and Integrated Tax;

- our subsidiary, Zuventus Healthcare Limited ("**ZHL**") is entitled to claim deduction under Section 80IE (which are available subject to fulfilment of conditions specified under Sections 80-IE(2) and 80-IE(3) of the Income Tax Act, 1961), with respect to one of its manufacturing facilities in East Sikkim, Sikkim. The amount of deduction available is 100% of the profits and gains derived from the said undertaking for ten consecutive years commencing with the initial assessment year (i.e. assessment year relevant to the previous year in which the undertaking has begun to manufacture or produce articles or things, or completed the substantial expansion); and

- two of ZHL's manufacturing facilities in the states of Sikkim and Jammu and Kashmir, respectively, are each eligible for (i) reimbursement of 29% of the integrated tax that is paid using debit in the cash ledger maintained by the unit in accordance with Section 20 of the Integrated Goods and Services Act, 2017 after utilizing the Input Credit of the Central Tax and Integrated Tax, and (ii) reimbursement of 58% of the Central tax that is paid using debit in the cash ledger account maintained by the unit in accordance with Sub - Section (1) of Section 49 of the Central Goods and Services Act, 2017 after utilizing the Input Credit of the Central Tax and Integrated Tax.

We cannot assure you that we would 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.

34. We may face risks on account of not meeting our export obligation for our Indian operations. Our failure to fulfil our export obligations in full may make us liable to pay duty proportionate to unfulfilled obligation along with interest.

Under the export promotion capital goods scheme of the Government of India, we are permitted to import capital goods in India required for export production without the payment of duty, provided we export goods from India worth a defined amount within a certain period of time. As per Restated Consolidated Financial Statements of our Company for Financial Year 2021, we had an export obligation of ₹68.67 million in relation to certain machinery imported, for which we have given bank guarantees amounting to ₹3.87 million to the Director General of Foreign Trade and a bond of ₹59.00 million to the Commissioner of Customs. As of March 31, 2021, we had met our export obligations for the Financial Year 2021 in full. In the event that we fail to fulfil these export obligations in full and within the stipulated time period, we may have to pay the Government of India a sum equivalent to the duty enjoyed by us under the scheme that is proportionate to the unfulfilled obligations, along with interest.

35. The availability of counterfeit drugs, such as drugs passed off by others as our products, could adversely affect our goodwill and results of operations.

Entities in India and abroad could pass off their own products as ours, including counterfeit or pirated products. For example, certain entities could imitate our brand name, packaging materials or attempt to create look-alike products. As a result, our market share could be reduced due to replacement of demand for our products and adversely affect our goodwill. We have an ongoing passing off action against a third party. We have also invested in our products to prevent counterfeit versions of our products from being distributed in the markets. Such measures include monitoring products in the market and initiating actions against counterfeiters, each of which entails incurring significant costs at our end. The proliferation of counterfeit and pirated products, and the time and attention lost to defending claims and complaints about counterfeit products could have an adverse effect on our goodwill and, in turn, our prospects, business, results of operations and financial condition.

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

Our financing arrangements are secured by substantially all of our movable and immovable assets. As of March 31, 2021, our assets pledged as security (excluding shares of subsidiaries that have been pledged as security) as per Restated Consolidated Financial Statements amounted to ₹50,947.36 million. For details on our outstanding indebtedness, see "*Financial Indebtedness*" beginning on page 378. Our ability to meet our obligations under our debt financing arrangements, which comprise term loan and working facility agreements, and repay our outstanding borrowings will depend primarily on the cash generated by our business. Our financing agreements generally include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions such as (i) changing the capital structure of our Company; (ii) formulating any scheme of amalgamation or reconstruction; (iii) undertaking any new project, implementation of any scheme of expansion or acquisition of fixed assets; (iv) declaring dividend except out of profits of that year; (v) making any drastic change in the management set-up; (vi) undertaking any guarantee obligations on behalf of any third-party; (vii) investments by way of share capital in, or lend, advance to or place deposits with, any other concern; (viii) any amendments to the Memorandum of Association and Articles of our Company; (ix) repayment of the loans and deposits and discharging of other liabilities; and (x) transfer or disposal of shareholding by any of our Promoters of their equity or quasi equity capital in our Company. Our financing agreements also generally contain financial covenants that require us to maintain, among others, specified debt-to-equity ratios. These covenants vary depending on the requirements of the financial institution extending the loan and the conditions negotiated under each financing document, and may restrict or delay certain actions or initiatives that we may propose to take from time to time.

In the past, we have experienced a few instances of non-perfection of security under our financing arrangements. We cannot assure you that we will continue to comply with the covenants with respect to our financing arrangements in the future or that we will be able to secure waivers for any such non-compliance in a timely manner or at all. Any future inability to comply with the covenants under our financing arrangements or to obtain necessary consents required thereunder may lead to the termination of our credit facilities, levy of penal interest, acceleration of all amounts due under such facilities and the enforcement of any security provided. If the obligations under any of our financing agreements are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents,

thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Further, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. In addition, other third parties may have concerns over our financial position and it may be difficult to market our financial products. Any of these circumstances or other consequences could adversely affect our business, credit ratings, prospects, results of operations and financial condition. Moreover, any such action initiated by our lenders could adversely affect the price of the Equity Shares.

Our ability to make payments on our indebtedness will depend on our future performance and our ability to generate cash, which to a certain extent is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, many of which are beyond our control. If our future cash flows from operations and other capital resources are insufficient to pay our debt obligations, meet our contractual obligations, or to fund our other liquidity needs, we may be forced to sell assets or attempt to restructure or refinance our existing indebtedness. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments may restrict us from adopting some of these alternatives. As of March 31, 2021, we had provided a corporate guarantee of US$75.00 million in relation to Heritage's commitments under one of its working capital facilities. We are currently in discussions with the lenders under the working capital facility on the release of the corporate guarantee following the De-merger of our U.S. operations from our Company, which became effective from April 1, 2021, but expect the corporate guarantee to remain for the financial years 2022 and 2023, see "*– We have de-merged our U.S. operations and have an indemnity from the resulting entity in relation to investigations by U.S. regulatory authorities and various ongoing civil and regulatory proceedings in the United States.*" on page 53. During the financial year 2019, Heritage was found to be in breach of certain financial covenants under the facility, for which Heritage obtained a waiver from the lenders. We have also provided corporate guarantees to our subsidiaries, Marcan, Tillomed, Gennova Biopharmaceuticals Limited and Emcure Pharmaceuticals Mena FZ-LLC, and may from time to time provide additional corporate guarantees to our other subsidiaries. During the financial year 2019, Marcan was found to be in breach of certain financial covenants under the facility that we had provided a corporate guarantee for, for which Marcan obtained a waiver from the lender. In the event that we are required to make payment under such corporate guarantees as a result of Heritage or any of our subsidiaries' breach of any covenants under their financing agreements or their inability to fulfil their obligations under their financing agreements, or for any other reason, our financial condition, results of operations and cash flows may be affected.

In addition, any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our creditworthiness and/or any credit rating we may hold, which could harm our ability to incur additional indebtedness on acceptable terms. In the event we breach any financial or other covenants contained in any of our financing arrangements or in the event we had breached any terms in the past which is noticed in the future, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. Our failure to meet our obligations under the debt financing agreements could have an adverse effect on our business, financial condition, results of operations and cash flows.

37. The reports of the statutory auditors of our Company contain emphasis of matter paragraphs.

The report issued by our Company's statutory auditors for our audited consolidated financial statements as of and for the Financial Year ended March 31, 2021 contains the following emphasis of matter paragraph:

"*We draw attention to Note 43 to the financial statements which describes the uncertainty related to the ultimate outcome of the Search and Seizure operation conducted by the Income Tax Department. The Group has not received any demand notices in relation to the Search and Seizure as at this date. Management is confident that no taxes will devolve on the Group and hence no provision has been recognised in these financial statements as at 31 March 2021. Though the Group has not received any demand notice till date, the uncertainty in the matter remains till the proceedings are concluded.*"

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 Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 250 and 349, respectively.

38. We have contingent liabilities and capital commitments our financial condition could be adversely affected if any of these contingent liabilities or capital commitments materialize.

As of March 31, 2021, we had disclosed the following restated contingent liabilities (that had not been provided for) amounting to ₹127.93 million in our Restated Consolidated Financial Statements as per Ind AS 37:

Nature of Contingent Liability	As of March 31, 2021
	(₹ in millions)
Claims against us not acknowledged as debts:	
Provident fund	53.61
Sales/entry tax	42.72
Excise and service tax matters	31.60
Total	**127.93**

In addition, our estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances), as disclosed in our Restated Consolidated Financial Statements as per Ind AS 37, amounted to ₹587.87 million as of March 31, 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 "*Financial Statements*" on page 250, and Notes 43 and 44 to our Restated Consolidated Financial Statements.

39. 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 a number of 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.*" on page 69. Further, 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.

40. 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.

As of the date of this Draft Red Herring Prospectus, certain of our Directors, namely, Sunil Mehta, Namita Thapar, Satish Mehta, Hitesh Jain and Shreekant Bapat, have interests in entities that are engaged in businesses similar to ours. Our Director, Sunil Mehta, is currently serving on the board of directors of our subsidiary, Gennova Biopharmaceuticals Limited, and is also a member of Zuventus Healthcare Limited and Avet Lifesciences Limited and a partner in H.M. Sales Corporation. Our Director, Satish Mehta, is currently serving on the board of directors of each of Gennova Biopharmaceuticals Limited and Zuventus Healthcare Limited, and is also a member of Avet Lifesciences Limited. Our Director, Namita Thapar, is currently serving on the board of directors of Zuventus Healthcare Limited, and is also a member of Avet Lifesciences Limited. Our Director, Shreekant Bapat, is currently serving on the board of directors of each of Gennova Biopharmaceuticals Limited, Zuventus Healthcare Limited and Avet Lifesciences Limited. Our Director, Hitesh Jain, is currently serving on the board of directors of each of Gennova Biopharmaceuticals Limited, Zuventus Healthcare Limited, Emcure Pharma UK Limited and Marcan Pharmaceuticals Inc. 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.

41. Certain of our shareholders, Directors and Key Management Personnel may be interested in our Company other than in terms of remuneration and reimbursement of expenses.

Certain of our shareholders, 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, and stock options 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. 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.

In addition, certain of our shareholders, including our Promoters, Directors and/or their respective affiliates may also have interests in other companies engaged in similar businesses as us, and may be interested to the extent of any transaction entered into by our Company with any other company, firm or entity in which they are a director, promoter or partner. For example, following the De-Merger of our U.S. operations, certain of our Promoters will continue to hold interests in Avet Life, which engages in the manufacturing, marketing and sale of pharmaceutical products similar to our Company. See "– *We have de-merged our U.S. operations and have an indemnity from the resulting entity in relation to investigations by U.S. regulatory authorities and various ongoing civil and regulatory proceedings in the United States. However, we may incur additional expenses and losses in connection with such matters.*" on page 53. This may give rise to a conflict of interest, which may adversely affect our business, financial condition and results of operations.

42. We have in the past entered into related-party transactions 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 "*Related-Party Transactions*" on page 348. Although all related-party transactions that we may enter into are subject to approval by our Audit Committee, Board or shareholders, as required under the Companies Act, 2013 and the SEBI Listing Regulations, 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.

43. While our Company will receive proceeds from the Fresh Issue, it will not receive any proceeds from the Offer for Sale portion.

In addition to the Fresh Issue from which our Company will receive proceeds, this Offer includes an Offer for Sale of 18,168,356 Equity Shares by the Selling Shareholders. The entire proceeds from the Offer for Sale will be paid to the Selling Shareholders in proportion of the Equity Shares offered by the Selling Shareholders in the Offer for Sale and our Company will not receive any proceeds from such Offer for Sale (after deducting applicable Offer expenses). For further details, see the section "*Objects of the Offer*" and "*Capital Structure*" beginning on pages 127 and 101, respectively.

44. Any variation in the utilization of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.

Our Company intends to use the Net Proceeds of the Fresh Issue portion of the Offer for pre-payment or scheduled repayment of all or a portion of certain outstanding borrowings availed by our Company and general corporate purposes, as described in "*Objects of the Offer*" beginning on page 127. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to fund any other expenditure or any exigencies arising out of changes in our competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Sections 13(8) and 27 of the Companies Act 2013, we cannot undertake any variation in the utilization of the Net Proceeds without obtaining shareholders' approval through a special resolution. In the event of any such circumstances that require us to vary from the disclosed proposed utilization of the Net Proceeds, we may not be able to obtain shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

Further, our Promoters would be required to provide an exit opportunity to shareholders who do not agree with our proposal to change the objects of the Offer or vary the terms of any contract referred to in this Draft Red Herring Prospectus, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters to provide an exit opportunity to such dissenting shareholders may deter the Promoters from agreeing to a variation from the proposed utilization of the Net Proceeds, even if such variation is in the

interest of our Company. Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI.

In light of these factors, we may not be able to use any unutilized proceeds of the Offer in variation from the objects of the Offer, or vary the terms of any contract referred to in this Draft Red Herring Prospectus, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of the Net Proceeds, which may adversely affect our business, financial condition and results of operations. Additionally, various risks and uncertainties, including those set forth in this "*Risk Factors*" section, may limit or delay our Company's efforts to use the Net Proceeds to achieve profitable growth.

45. Our funding requirements and proposed deployment of the Net Proceeds of the Offer have not been appraised by a bank or a financial institution and if there are any delays or cost overruns, our business, financial condition and results of operations may be adversely affected.

We intend to use the Net Proceeds for the purposes described in "*Objects of the Offer*" beginning on page 127. The objects of the Offer have not been appraised by any bank or financial institution. Whilst a monitoring agency will be appointed for monitoring the utilization of the Net Proceeds, the proposed utilization of the Net Proceeds is based on current conditions, internal management estimates and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy, as discussed further below. Based on the competitive nature of our industry, we may have to revise our business plan and/ or management estimates from time to time and consequently our funding requirements may also change. Our internal management estimates may exceed fair market value which may require us to reschedule or reallocate our capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows.

Further, pending utilization of the Net Proceeds towards the objects of the Offer, our Company will have to temporarily deposit the Net Proceeds with one or more scheduled commercial banks listed in the Second Schedule of Reserve Bank of India Act, 1934, in a manner as may be approved by our Board. Accordingly, prospective investors in the Offer will need to rely upon our management's judgment with respect to the use of the Net Proceeds.

46. We do not own our Registered Office, Corporate Office and the majority of the other premises from which we operate.

We do not own our Registered Office premises situated at Emcure House, T-184, M.I.D.C., Bhosari, Pune – 411 026, Maharashtra, India, our Corporate Office premises situated at Plot No. P2, IT-BT Park, Phase II, M.I.D.C., Hinjawadi, Pune - 411057, Maharashtra, India, and a majority of our manufacturing facilities, R&D facilities and sales and marketing and administration offices are occupied by us on a leasehold basis. For further details, see "*Our Business – Description of Our Business – Manufacturing Facilities and Approvals*" and "*Our Business – Description of Our Business – Properties*" on pages 190 and 201, respectively.

The lease periods and rental amounts for these properties vary on the basis of their locations. We cannot assure you that we will be able to renew our leases on commercially acceptable terms or at all. In the event that we are required to vacate our current premises, we would be required to make alternative arrangements for new offices and other infrastructure and we cannot assure that the new arrangements will be on commercially acceptable terms. If we are required to relocate our business operations or shut down our manufacturing units during this period, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, prospects, results of operations and financial condition. Further, the lease deeds for our properties may not be adequately stamped and consequently, may not be accepted as evidence in a court of law and we may be required to pay penalties for inadequate stamp duty.

47. Fluctuations in interest rates could adversely affect our results of operations.

We are exposed to interest rate risk resulting from fluctuations in interest rates in our long-term borrowings with floating interest rates, including borrowings denominated in U.S. dollars, Euros, Canadian dollars and British pounds. As of June 30, 2021, we had aggregated outstanding borrowings amounting to ₹19,056.57 million. We do not currently enter into interest hedging arrangements to hedge against interest rate risk. Upward fluctuations in interest rates may increase our borrowing costs, which could impair our ability to compete effectively in our business relative to competitors with lower levels of indebtedness. As a result, our

business, financial condition and results of operation may be adversely affected. In addition, we cannot assure you that difficult conditions in the global credit markets will not negatively impact the cost or other terms of our existing financing as well as our ability to obtain new credit facilities or access the capital markets on favorable terms.

48. The Proforma Condensed Consolidated Financial Information included in this Draft Red Herring Prospectus to reflect the De-merger of our U.S. operations 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.

The NCLT by its order dated June 4, 2021 has sanctioned the scheme of De-merger in relation to our divestment of our U.S. operations, which is effective from April 1, 2021, see "*– We have de-merged our U.S. operations and have an indemnity from the resulting entity in relation to investigations by U.S. regulatory authorities and various ongoing civil and regulatory proceedings in the United States. However, we may incur additional expenses and losses in connection with such matters.*" on page 53. Our Proforma Condensed Consolidated Financial Information as of and for the Financial Years 2021, 2020 and 2019 included in this Draft Red Herring Prospectus presents a theoretical situation to demonstrate the effects of the De-merger on our Company, including the results of operations and the financial position that would have resulted as if the De-merger had taken place at the earliest of the periods presented (i.e. April 1, 2018). For further details, see "*Proforma Condensed Consolidated Financial Information*" beginning on page 332. Our Proforma Condensed Consolidated Financial Information does not include all of the information required for financial statements under Indian GAAP or Ind AS and should be read in conjunction with the section "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Basis of Preparation of the Proforma Condensed Consolidated Financial Information*" on page 366, as well as the notes to our Restated Consolidated Financial Statements and Proforma Condensed Consolidated Financial Information included in this Draft Red Herring Prospectus. Further, our Proforma Condensed 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 proforma financial information. Accordingly, our Proforma Condensed Consolidated Financial Information included in this Draft Red Herring Prospectus is not intended to be indicative of our expected results of operations in the future periods, our future financial position or a substitute for our past results. Investors should not place undue reliance on or base their investment decision solely on this information.

49. ***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 manufacturing capacity, actual production and capacity utilization of our manufacturing facilities. These assumptions and estimates include the standard capacity calculation practice of the pharmaceuticals industry after examining the calculations and explanations our Company and its subsidiaries and the reactor capacities and other ancillary equipment installed at the facilities. In addition, the information relating to the actual production at our manufacturing facilities are based on, amongst other things, the examination of our internal production records, the period during which our manufacturing facilities operate in a year, expected operations, availability of raw materials, downtime resulting from scheduled maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies. Further, capacity utilization has been calculated on the basis of actual production during the relevant period divided by the aggregate installed capacity of relevant manufacturing facilities as of at the end of the relevant period. 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.

50. 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.

We have declared dividend in the past. For further information, see "*Dividend Policy*" on page 249. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. The declaration and payment of dividends will be recommended by the Board of Directors and approved 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.

Further, 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.

51. Reliance has been placed on declarations and affidavits furnished by one of our Independent Director for details of his educational qualification(s) included in this Draft Red Herring Prospectus.

Our Independent Director, Shreekant Bapat, has been unable to trace copies of certain documents pertaining to his educational qualifications. While the aforementioned Director has taken the requisite steps to obtain the relevant supporting documentation, including by making written requests and applications to their respective educational institutions, they have been unsuccessful in procuring the relevant supporting documentation.

Accordingly, the Managers and us have placed reliance on declarations, undertakings and affidavits furnished by him to disclose details of his educational qualifications in this Draft Red Herring Prospectus and we have not been able to independently verify these details in the absence of primary documentary evidence. Further, there can be no assurances that he will be able to trace the relevant documents pertaining to his educational qualifications in the future, or at all. Therefore, we cannot assure you that all or any of the information relating to his educational qualification included in "*Our Management*" on page 227 is complete, true and accurate.

52. This Draft Red Herring Prospectus contains information from third parties including an industry report prepared by an independent third-party research agency, CRISIL, which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Offer. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.

The industry and market information contained in this Draft Red Herring Prospectus includes information that is derived from the CRISIL Report dated August 2021 prepared by an independent third-party research agency, CRISIL. The CRISIL Report has been commissioned and paid for by us for the purposes of confirming our industry exclusively in connection with the Offer. The report uses certain methodologies for market sizing and forecasting, and may include numbers relating to our Company that differ from those we record internally. While we believe such information to be true, we cannot assure you that such information is complete or reliable. Given the scope and extent of the CRISIL Report, disclosures herein are limited to certain excerpts and the CRISIL Report has not been reproduced in its entirety in this Draft Red Herring Prospectus. There are no parts, data or information (which may be relevant for the Offer), that have been left out or changed in any manner. Accordingly, investors should read the industry-related disclosure 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. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. 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 these industry sources and publications may take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Accordingly, investors should not place undue reliance on, or base their investment decision solely on this information.

EXTERNAL RISK FACTORS

Risks Related to Our Industry

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

Compulsory licensing refers to when a government allows another manufacturing company to produce the patented product or process without the consent of the patent owner. Our ability to enforce our patents depends on the laws of individual countries and each country's practice with respect to enforcement of intellectual property rights, and the extent to which certain jurisdictions may seek to engage in a policy of routine compulsory licensing of pharmaceutical intellectual property as a result of local political pressure or in the case of national emergencies. In India, 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.

54. We are exposed to government price controls which could negatively affect our results of operations.

In addition to normal price competition, the prices of certain of our products are or may be restricted by price controls imposed by governments and healthcare providers in India, or in other countries to which we export our products. Price controls can operate differently across countries and can cause wide variations in prices between markets. The existence of price controls may limit the revenue we earn from certain of our products.

For example, in India, prices of certain pharmaceutical products are determined by the Drug Prices Control Order, 2013 (the "**DPCO 2013**"), promulgated by the Government of India. The DPCO 2013 prescribes, among other things, 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 on the basis of the average market price of the relevant drug. Such average price is arrived at by considering the prices charged by all companies that have a market share of at least 1.0% of the total market turnover on the basis of the moving annual turnover of the drug.

Further, the National Pharmaceuticals Pricing Policy, 2012 sets out 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. The National Pharmaceutical Pricing Authority (the "**NPPA**") has notified the ceiling price for 866 formulations under the DPCO 2013 and NPPA may also notify the ceiling price for some or all of the remaining formulations listed in the National List of Essential Medicines—2015. Some of our products are covered in the notification and will be subject to the fixed ceiling prices notified. As of March 31, 2021, only 15% of our total sales in India was attributed to sales of products listed on the NLEM, according to CRISIL. These products include our Pause, Enoxarin, EXHEP and LOMOH products, which are subject to price controls as a result of being on the NLEM. Further, the Government of India has been reviewing prices for pharmaceuticals and margins offered to trade, and has announced plans to revise the National List of Essential Medicines in 2021, which could lead to the imposition of a price cap on certain pharmaceutical products. If the price of one or more of our products is regulated by the DPCO or the NPPA or other similar authorities outside India, our business and results of operations could be adversely affected. Further, any future changes in prices of any of our products due to the changes in government price controls and other related laws and regulations cannot be anticipated and may adversely affect our business, financial condition and results of operations.

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

We generate a significant part of our total revenue from our international markets, primarily Canada and Europe. We have also established subsidiaries in Peru, Mexico, Australia, Germany, Spain, Italy, New Zealand, France, Dubai, Brazil, South Africa and Nigeria and a branch office in Russia 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 and technologies, multiple tax and cost structures, and cultural and language factors.

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 such lower tax rates or any other benefits. 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 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.

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.

In addition, the new technologies we adopt from time to time may not perform as expected. In particular, our current biologics manufacturing processes are driven by an artificial intelligence machine learning (AI ML) model which is based on predictions, monitoring and control. These systems are relatively novel and, as such, they may behave less predictably than conventional technological systems. We cannot assure you that our artificial intelligence systems will perform as well as or better than our current technologies. Further, the increased unpredictability of artificial intelligence may lead to the incurrence of unforeseeable losses or damage.

Risks Related to India

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

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

- the macroeconomic climate, including any increase in Indian interest rates or inflation;
- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;

- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian consumers and Indian corporates;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- occurrence of natural or man-made disasters (such as hurricanes, typhoons, floods, earthquakes, tsunamis and fires) which may cause us to suspend our operations;
- civil unrest, acts of violence, terrorist attacks, regional conflicts or situations or war may adversely affect the Indian markets as well as result in a loss of business confidence in Indian companies;
- epidemics, pandemics or any other public health concerns 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;
- prevailing regional or global economic conditions, including in India's principal export markets;
- any downgrading of India's debt rating by a domestic or international rating agency;
- international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;
- protectionist and other adverse public policies, including local content requirements, import/export tariffs, increased regulations or capital investment requirements;
- logistical and communications challenges;
- financial instability in financial markets;
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms or on a timely basis;
- being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so; and
- other significant regulatory or economic developments in or affecting India or its construction sector.

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

58. Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects and results of operations.

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

For instance, the Taxation Laws (Amendment) Act, 2019, a tax legislation issued by India's Ministry of Finance effective as of September 20, 2019, prescribes certain changes to the income tax rate applicable to companies in India. According to this legislation, companies can henceforth voluntarily opt in favor of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which reduces the rate of income tax payable to 22% subject to compliance with conditions prescribed, from the erstwhile 25% or 30% depending upon the total turnover or gross receipt in the relevant period. Any such future

amendments may affect our other benefits such as exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

Due to the COVID-19 pandemic, the Government of India also passed the Taxation and Other Laws (Relaxation of Certain Provisions) Act, 2020, implementing relaxations from certain requirements under, among others, the Central Goods and Service Tax Act, 2017 and Customs Tariff Act, 1975. Further, the Government of India has announced the Union Budget for Fiscal 2021, pursuant to which the Finance Act of 2021 has introduced various amendments.

We have not fully determined the impact of these recent and proposed laws and regulations on our business. We cannot predict whether any amendments made pursuant to the Finance Act would 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 has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor.

As such, there is no certainty on the impact that the Finance Act may have on our Company's business and operations. Further, our Company cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have an adverse effect on our business, results of operations and financial condition.

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

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

Further, any agreement among competitors which directly or indirectly involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of 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. Further, the Competition Act prohibits abuse of dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the contravention and liable to be punished.

On March 4, 2011, the Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act which came into effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the CCI. Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. The impact of the provisions of the Competition Act on the agreements entered into by us cannot be

predicted with certainty at this stage. However, since we pursue an acquisition driven growth strategy, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, any enforcement proceedings initiated by the CCI, any adverse publicity that may be generated due to scrutiny or prosecution by the CCI, or any prohibition or substantial penalties levied under the Competition Act, which would adversely affect our business, results of operations, cash flows and prospects.

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

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

61. Current economic conditions may adversely affect our business, results of operations and financial condition.

The global economy is currently undergoing a period of unprecedented volatility, and the future economic environment may continue to be less favorable than that of recent years. We are exposed to many different industries and companies, including our counterparties under our various manufacturing, sale and distribution agreements, co-branding, raw materials supply and other agreements, any of which may be or become unstable in the current economic environment, which could adversely affect our business, financial condition and results of operations.

62. If the rate of Indian price inflation increases, our business and results of operations may be adversely affected.

Inflation rates in India have been volatile in recent years, and such volatility may continue. In recent years, India has experienced consistently high inflation, which has increased the price of, among other things, our rent, raw materials and wages. If this trend continues, we may be unable to accurately estimate or control our costs of production and this could have an adverse effect on our business and results of operations. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our clients, whether entirely or in part, and may adversely affect our business and financial condition. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows. Further, the Government of India has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. We cannot assure you that Indian inflation levels will not worsen in the future.

63. Significant differences exist between Ind AS used to prepare our financial information and other accounting principles, such as U.S. GAAP and IFRS, which may affect investors' assessments of our Company's financial condition.

Our Restated Consolidated Financial Statements for the Financial Years 2021, 2020 and 2019 included in this Draft Red Herring Prospectus are presented in conformity with Ind AS, in each case restated in accordance with the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectus (Revised 2019)" issued by the ICAI. Ind AS differs from accounting principles with which prospective investors may be familiar, such as Indian GAAP, IFRS and U.S. GAAP.

We have not attempted to explain in a qualitative manner the impact of the IFRS or U.S. GAAP on the financial information included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial information to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP, which may differ from accounting principles with which prospective investors may be familiar in other countries. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus, which are restated as per the SEBI ICDR Regulations included in this Draft Red Herring Prospectus, will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Ind AS, the Companies Act and the SEBI Regulations. Any reliance by persons not familiar with Indian accounting practices, Ind AS, the Companies

Act and the SEBI Regulations, on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

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

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

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Rules, investments where the beneficial owner of the equity shares is situated in or is a citizen of a country which shares a land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or conditions or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 435.

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

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

66. Rights of shareholders under Indian laws may be different from laws of other jurisdictions.

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions.

67. 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. All of our directors and executive officers are residents of India. Many of our Company's assets are located in India. As a result, it may be difficult for investors to effect service of process upon us or such persons in 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. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, including the United Kingdom, Singapore, UAE, and Hong Kong. A judgment from certain specified courts located in a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908, as amended ("**Civil Procedure Code**"). The United States has not been notified as a reciprocating territory.

In order to be enforceable, a judgment obtained in a jurisdiction which India recognizes as a reciprocating territory must meet certain requirements of the Civil Procedure Code. Section 13 of the Civil Procedure Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated on 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 or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Procedure 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; such presumption may be displaced by proving want of jurisdiction. The Civil Procedure Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, or other charges of a like nature or in respect of a fine or other penalty and does not provide for the enforcement of arbitration awards even if such awards are enforceable as a decree or judgment. A foreign judgment rendered by a superior court (as defined under the Civil Procedure Code) in any jurisdiction outside India which the Government of India has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, 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.

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 in Indian. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable. Such amount may also be subject to income tax in accordance with applicable law.

Consequently, it may not be possible to enforce in an Indian court any judgment obtained in a foreign court, or effect service of process outside of India, against Indian companies, entities, their directors and executive officers and any other parties resident in India. Additionally, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner.

Risks Related to the Offer

68. The Offer Price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Offer.

The Offer Price of our Equity Shares has been determined by our Company in consultation with the Managers, and through the Book Building Process. This price is based on numerous factors, as described under "*Basis for Offer Price*" beginning on page 135 and may not be indicative of the market price for our Equity Shares after the Offer. The market price of our Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer 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. As a result of these factors, we cannot assure you that investors will be able to resell their Equity Shares at or above the Offer Price.

69. Our Equity Shares have never been publicly traded, and, after the Offer, our Equity Shares may experience price and volume fluctuations, and an active trading market for our Equity Shares may not develop.

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market for our Equity Shares may not develop. Listing and quotation does not guarantee that a market for our Equity Shares will develop, or if developed, the liquidity of such market for our Equity Shares. The Offer Price of our Equity Shares has been determined through a book-building process and may not be indicative of the market price of our Equity Shares at the time of commencement of trading of our Equity Shares or at any time thereafter. The market price of our Equity Shares may be subject to significant fluctuations in response to, among other factors:

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

Changes in relation to any of the factors listed above could affect the price of our Equity Shares.

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

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

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

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

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

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

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

73. Investors may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.

Under the current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. A securities transaction tax ("**STT**") is levied both at the time of transfer and acquisition of the equity shares (unless exempted under a prescribed notification), and the STT is collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of equity shares held for more than 12 months, are subject to long term capital gains tax in India. Such long term capital gains exceeding ₹100,000 arising from the sale of listed equity shares on the stock exchange are subject to tax at the rate of 10% (plus applicable surcharge and cess). Unrealized capital gains earned on listed equity shares up to January 31, 2018 continue to be tax-exempted in such cases. Further, STT will be levied and collected by an Indian stock exchange if the equity shares are sold on a stock exchange. With respect to capital gains arising in an off market sale, long term capital gains are subject to tax at the rate of 10% (plus applicable surcharge and cess) without the exemption of ₹100,000. 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. Short-term capital gains, arising from the sale of such equity shares on a stock exchange would be subject to tax at the rate of 15% (plus applicable surcharge and cess), while short term capital gains arising in an off-market sale would be subject to tax at a higher rate of 40% (plus applicable surcharge and cess) in the case of foreign companies and 30% (plus applicable surcharge and cess) in the case of other non-resident taxpayers and at applicable tax rates for resident taxpayers.

The Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020. It clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. As such, there is no certainty on the impact that the Finance Act, 2019 may have on our business and operations. In cases where the seller is a non-resident, capital gains arising from the sale of the equity shares will be partially or wholly exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Historically, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the equity shares. Additionally, the Finance Act, 2020 does not require dividend distribution tax to be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and are likely be subject to tax deduction at source. Our Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at the source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

74. There is no guarantee that our Equity Shares will be listed, or continue to be listed, on the Indian stock exchanges in a timely manner, or at all, and prospective investors will not be able to immediately sell their Equity Shares on the NSE and BSE.

In accordance with Indian law and practice, final approval for listing and trading of our Equity Shares will not be applied for or granted until after our Equity Shares have been issued and allotted. Such approval will require the submission of all other relevant documents authorizing the issuance of our Equity Shares. Accordingly, there could be a failure or delay in listing our Equity Shares on the NSE and BSE, which would adversely affect your ability to sell our Equity Shares.

75. Certain of our existing shareholders or future shareholders together may be able to exert substantial voting control over us, which may limit your ability to influence corporate matters.

As of March 31, 2021, our five largest shareholders beneficially owned an aggregate of 139,848,392 Equity Shares, representing 77.33% of our outstanding Equity Shares. While the shareholding of our Company is diversified, some existing or future shareholders together may limit your ability to influence corporate matters

that require shareholder approval. These existing or future shareholders may be able to exercise considerable influence over any matters requiring shareholder approval, including the election of directors, approval of lending and investment policies and the approval of corporate transactions, such as a merger or other sale of our Company or its assets or further fund-raising transactions. In addition, our dispersed shareholdings may cause matters requiring shareholder approval to be delayed or not occur at all, which could adversely affect our business. Moreover, these shareholders are not obligated to share any business opportunities with us.

76. Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and lender consents and we cannot assure you that we will be able to pay dividends in the future.

We currently intend to invest our future earnings, if any, to fund our growth. The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. In addition, our ability to pay dividends may also be restricted by the terms of financing arrangements that we may enter into, and any dividend payments we make may be subject to the prior consent of certain of our lenders pursuant to the terms of the agreements we have with them. For details, see "*Financial Indebtedness*" beginning on page 378. Although we have paid dividends historically on our Equity Shares, we cannot assure you that we will choose, or be able, to pay dividends in the future. For further details, see "*Dividend Policy*" beginning on page 249.

77. 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 Bidders are not permitted to withdraw their Bids after the Bid/Offer Closing Date.

Pursuant to the SEBI ICDR Regulations, 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. RIBs can revise or withdraw their Bids during the Bid/Offer Period. While our Company is required to complete Allotment pursuant to the Offer within such period as may be prescribed under applicable law, events affecting the Bidders' decision to invest in our Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, financial condition and results of operations may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of our Equity Shares even if such events occur, and such events limit the Bidders' ability to sell our Equity Shares Allotted pursuant to the Offer or cause the trading price of our Equity Shares to decline on listing. QIBs and Non-Institutional Bidders will therefore not be able to withdraw or lower their bids following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or otherwise, between the dates of submission of their Bids and Allotment.

SECTION III – INTRODUCTION

THE OFFER

The following table summarizes details of the Offer:

Offer of Equity Shares[(1)]	Up to [●] Equity Shares, aggregating up to ₹ [●] million
***of which*:**	
Fresh Issue [(1) (6)]	Up to [●] Equity Shares, aggregating up to ₹ 11,000 million
Offer for Sale [(2)]	The offer for sale of up to 18,168,356 Equity Shares aggregating up to ₹ [●] million, including up to 2,280,000 Equity Shares aggregating up to ₹ [●] million by the Promoter Selling Shareholders, up to 3,735,000 Equity Shares aggregating up to ₹ [●] million by the Promoter Group Selling Shareholders, up to 9,950,000 Equity Shares aggregating up to ₹ [●] million by the Investor Selling Shareholder and up to 2,203,356 Equity Shares aggregating up to ₹ [●] million by the Other Selling Shareholders**.**
The Offer comprises of:	
Employees Reservation Portion[(7)]	Up to [●] Equity Shares aggregating up to ₹ [●] million
Net Offer	Up to [●] Equity Shares aggregating up to ₹ [●] million
The Net Offer comprises of:	
A) QIB Portion [(3)(4)]	Not more than [●] Equity Shares
***of which*:**	
(i) **Anchor Investor Portion**	Up to [●] Equity Shares
(ii) **Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)**	[●] Equity Shares
of which:	
(a) **Available for allocation to Mutual Funds only (5% of the Net QIB Portion)**	[●] Equity Shares
(b) **Balance for all QIBs including Mutual Funds**	[●] Equity Shares
B) Non-Institutional Portion	Not less than [●] Equity Shares
C) Retail Portion [(5)]	Not less than [●] Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as at the date of this Draft Red Herring Prospectus)	180,852,116 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of Net Proceeds	See "*Objects of the Offer*" on page 127 for information on the use of proceeds arising from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

(1) The Offer has been authorized by a resolution of our Board dated July 27, 2021, and by a resolution of our Shareholders dated July 30, 2021.

(2) The Equity Shares being offered by the Selling Shareholders are eligible for being offered for sale as part of the Offer in terms of the SEBI ICDR Regulations. Each of the Selling Shareholders has, severally and not jointly, approved the transfer of their respective portion of the Offered Shares, pursuant to the Offer for Sale. For further details of authorizations received for the Offer, see "Other Regulatory and Statutory Disclosures" on page 393.

(3) Our Company may in consultation with the Selling Shareholders and the Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with SEBI ICDR Regulations. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. 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. In the event of under-subscription in the Anchor Investor Portion, the remaining 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, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. For further details, see "Offer Procedure" on

page 417.

(4) Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill- over from any other category or combination of categories, as applicable, at the discretion of our Company, in consultation with the Selling Shareholders and the Managers and the Designated Stock Exchange, subject to applicable law. In the event of an under-subscription in the Offer, (i) such number of Equity Shares will first be Allotted by our Company such that 90% of the Fresh Issue portion is subscribed; (ii) upon Equity Shares been Allotted as per (i), all the Equity Shares held by the Selling Shareholders and offered for sale in the Offer for Sale will be Allotted; and (iii) once Equity Shares have been Allotted as per (i) and (ii) above, such number of Equity Shares will be Allotted by our Company towards the balance 10% of the Fresh Issue portion;

(5) Allocation to Bidders in all categories, except Anchor Investors, if any and Retail Individual Investors, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis. For further details, see "Offer Procedure" on page 417. Our Company will not receive any proceeds from the Offer for Sale.

(6) Our Company in consultation with the Selling Shareholders and the Managers, may consider a Pre-IPO Placement of Equity Shares for a cash consideration aggregating up to ₹2,000 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the Selling Shareholders and the Managers, and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.

(7) In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 (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. The Employee Reservation Portion shall not exceed [●]% of our post-Offer paid-up Equity Share capital. Our Company in consultation with the Selling Shareholders and Managers, may offer a discount of up to [●]% of the Offer Price to Eligible Employees bidding in the Employee Reservation Portion which shall be announced two Working Days prior to the Bid/Offer Opening Date. For further details, see "Offer Procedure" and "Offer Structure" on pages 417 and 413 respectively.

For further details, including in relation to grounds for rejection of Bids, refer to "*Offer Structure* "and "*Offer Procedure*" on pages 413 and 417, respectively. For further details of the terms of the Offer, see "*Terms of the Offer*" on page 408.

SUMMARY OF FINANCIAL INFORMATION

Restated Consolidated Balance Sheet Information

(₹ in million)

Particulars	Fiscal 2021	Fiscal 2020	Fiscal 2019
Assets			
Non-current assets			
Property, plant and equipment	14,872.70	14,039.98	13,949.86
Capital work-in-progress	2,215.95	3,319.35	4,217.61
Right-of-use assets	2,242.85	2,381.41	2,598.85
Goodwill	3,974.77	3,891.90	3,760.41
Other Intangible assets	3,031.88	3,505.82	3,829.66
Intangible assets under development	800.31	1,530.31	1,590.94
Financial assets			
i) Investments	0.03	0.03	0.04
ii) Loans	289.00	259.05	225.66
iii) Other non-current financial assets	102.81	152.56	520.83
Deferred tax assets (net)	1,482.92	2,007.61	2,041.16
Income tax assets (net)	1,665.62	1,551.60	449.24
Other non-current assets	220.63	370.12	387.61
Total non- current assets	**30,899.47**	**33,009.74**	**33,571.87**
Current assets			
Inventories	15,144.35	11,731.55	11,277.51
Financial assets			
i) Trade receivables	14,753.62	11,452.14	9,720.35
ii) Cash and cash equivalents	4,687.46	1,287.43	914.47
iii) Bank balances other than (ii) above	547.91	350.94	128.42
iv) Other current financial assets	131.11	134.28	260.03
Other current assets	1,910.06	2,074.47	2,231.74
Total current assets	**37,174.51**	**27,030.81**	**24,532.52**
Total assets	**68,073.98**	**60,040.55**	**58,104.39**
Equity and liabilities			
Equity			
Equity share capital	1,808.52	1,808.52	1,808.52
Other equity	20,921.70	17,311.02	16,484.09
Equity attributable to owners of the company	**22,730.22**	**19,119.54**	**18,292.61**
Non-controlling interest	949.92	724.14	648.46
Total equity	**23,680.14**	**19,843.68**	**18,941.07**
Liabilities			
Non-current liabilities			
Financial liabilities			
i) Borrowings	7,039.70	5,532.98	6,878.78
ii) Lease Liabilities	1,168.05	1,273.99	1,494.92
iii) Other non-current financial liabilities	713.10	3,160.14	3,856.20
Provisions	659.34	584.98	561.15
Deferred tax liabilities (net)	398.83	440.03	657.42
Other non-current liabilities	333.05	6.37	9.00
Total non-current liabilities	**10,312.07**	**10,998.49**	**13,457.47**

Current liabilities			
Financial liabilities			
i) Borrowings	12,526.74	12,711.74	10,868.40
ii) Lease Liabilities	324.43	297.23	286.95
iii) Trade payables			
Total outstanding dues of micro and small enterprises	-	0.62	6.58
Total outstanding dues to others	9,721.94	7,406.01	6,846.43
iv) Other current financial liabilities	8,377.32	6,404.41	5,929.37
Provisions	1,497.56	1,389.93	1,124.02
Current tax liabilities (net)	616.91	543.30	177.68
Other current liabilities	1,016.87	445.14	466.42
Total current liabilities	**34,081.77**	**29,198.38**	**25,705.85**
Total liabilities	**44,393.84**	**40,196.87**	**39,163.32**
Total equity and liabilities	**68,073.98**	**60,040.55**	**58,104.39**

Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income) Information

(₹ in million)

Particulars	Year Ended Fiscal 2021	Year Ended Fiscal 2020	Year Ended Fiscal 2019
Revenue:			
Revenue from operations	60,564.15	50,485.54	47,171.83
Other income	353.91	823.06	984.07
Total income	**60,918.06**	**51,308.60**	**48,155.90**
Expenses:			
Cost of materials consumed	14,366.31	9,002.22	7,812.08
Purchases of stock-in-trade	13,375.88	11,273.59	11,096.54
Changes in inventories of finished goods, work-in-progress and stock-in- trade	(2,526.26)	19.10	(1,321.78)
Employee benefit expenses	11,021.25	11,056.20	10,103.30
Depreciation and amortisation expense	3,233.10	3,208.34	2,997.76
Finance cost	1,981.32	2,565.97	2,363.55
Other expenses	12,007.25	12,095.04	11,643.50
Total expenses	**53,458.85**	**49,220.46**	**44,694.95**
Profit before exceptional items and tax	**7,459.21**	**2,088.14**	**3,460.95**
Exceptional items	885.94	1,034.79	234.58
Profit before tax	**6,573.27**	**1,053.35**	**3,226.37**
Tax expenses			
Current tax	2,008.92	316.55	2,125.58
Deferred tax	378.41	(269.30)	(928.89)
Profit for the year	**4,185.94**	**1,006.10**	**2,029.68**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit obligations	18.00	(70.37)	(14.01)
Tax on post-employment benefit obligations	(6.23)	24.28	4.88
Items that will be reclassified subsequently to profit or loss			
Exchange differences in translating financials statement of foreign operations	(11.93)	384.48	357.44
Income tax relating to these items	-	-	(10.41)

	(0.16)	**338.39**	**337.90**
Total comprehensive income for the year	**4,185.78**	**1,344.49**	**2,367.58**
Profit attributable to:			
Owners of the company	3,921.47	836.07	1,892.97
Non-controlling interests	264.47	170.03	136.71
Other comprehensive income attributable to:			
Owners of the company	(2.42)	343.32	339.98
Non-controlling interests	2.26	(4.93)	(2.08)
Total comprehensive income attributable to:			
Owners of the company	3,919.05	1,179.39	2,232.95
Non-controlling interests	266.73	165.10	134.63
Earnings per share:			
Basic	21.68	4.62	10.47
Diluted	21.68	4.62	10.47
[Face value per share: Rs.10]			

Restated Consolidated Cash Flow Statement Information

(₹ in million)

Particulars	**Fiscal 2021**	**Fiscal 2020**	**Fiscal 2019**
Cash flows from operating activities:			
Profit before tax	**6,573.27**	**1,053.35**	**3,226.37**
Adjustment for:			
Depreciation and amortisation	3,233.10	3,208.34	2,997.76
Impairment of intangible assets	436.95	-	-
Unrealised exchange loss (net)	190.23	138.21	319.29
Finance costs	1,981.32	2,565.97	2,363.55
Employee share-based payment expense	63.48	144.19	52.87
Interest income from banks and others	(73.53)	(21.86)	(25.22)
Income arising from government grant (EPCG)	(6.37)	(5.26)	(19.23)
(Profit) / Loss on sale of property, plant and equipments	(4.23)	41.57	(24.36)
Impairment of Goodwill	-	39.83	9.30
Stock appreciation rights liability written back	-	-	(1,238.52)
	12,394.22	**7,164.34**	**7,661.81**
Working capital adjustments:			
- Increase in inventories	(3,412.80)	(454.05)	(1,996.48)
- Increase in trade receivables	(3,301.48)	(1,731.79)	(1,018.92)
- (Increase)/decrease in other financial assets	(127.28)	437.65	(94.66)
- Decrease in other assets	164.46	169.90	143.83
- Increase in trade payables	2,315.31	553.62	635.22
- Increase/(decrease) in other financial liabilities	63.84	(392.54)	548.00
- Increase/(decrease) in other liabilities	790.74	(41.97)	(57.74)
- Increase in provisions	161.67	219.37	349.84
	(3,345.54)	**(1,239.81)**	**(1,490.91)**
Cash generated from operating activities	**9,048.68**	**5,924.53**	**6,170.90**
Income tax paid (net of refunds)	(2,004.33)	(921.51)	(1,344.63)
Net cash generated from operating activities (A)	**7,044.35**	**5,003.02**	**4,826.27**
Cash flows from investing activities			
Acquisition of property, plant and equipment, and capital work-in-progress	(1,254.05)	(1,153.03)	(3,268.05)
Acquisition of intangible assets and intangible assets under development	(202.65)	(393.48)	(901.87)
Proceeds from sale of property, plant and equipment	125.14	166.14	114.95
Purchase consideration paid on acquisition of subsidiary, net of cash acquired	(1,115.51)	-	(40.29)
Interest received from banks and others	75.81	13.22	24.93
Deposits placed (net of amounts matured)	(147.22)	(270.45)	(15.96)
Net cash used in investing activities (B)	**(2,518.48)**	**(1,637.60)**	**(4,086.29)**
Cash flows from financing activities			
Repayment of long-term borrowings	(4,110.75)	(3,651.60)	(7,157.74)
Proceeds from long-term borrowings	5,774.88	1,952.49	4,888.29
Proceeds / (Repayments) of short-term borrowings (net)	(981.67)	1,772.20	(2,083.17)

Interest paid	(1,844.83)	(2,023.81)	(1,994.84)
Repayment of lease liabilities	(436.80)	(415.54)	(383.89)
Government grant	114.05	-	-
Payment on account of settlement of Employee stock options	(182.12)	-	-
Interim dividend paid (and related dividend distribution tax)	-	(327.04)	(545.07)
Final dividend paid (and related dividend distribution tax)	(180.85)	(218.02)	(436.05)
Dividend paid to non controlling interest (and related dividend distribution tax)	(40.95)	(93.80)	(22.22)
Net cash used in financing activities (C)	**(1,889.04)**	**(3,005.12)**	**(7,734.69)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	2,636.83	360.30	(6,994.71)
Cash and cash equivalent as at 1 April (refer below)	(6,091.08)	(6,409.64)	586.49
Effect of exchange rate fluctuations on cash and cash equivalent	(46.17)	(41.74)	(1.42)
Cash and cash equivalent as at March 31	**(3,500.42)**	**(6,091.08)**	**(6,409.64)**
Breakup of cash and cash equivalent as at March 31			
Cash on hand	3.90	3.49	1.15
Balances with bank in current accounts	4,593.78	1,189.30	907.77
Balances with bank in cash credit accounts	83.03	-	-
Demand deposits (with original maturity of less than 3 months)	6.75	94.64	5.55
Bank overdrafts used for cash management purpose	(8,187.88)	(7,378.51)	(7,324.11)
Total cash and cash equivalent	**(3,500.42)**	**(6,091.08)**	**(6,409.64)**

GENERAL INFORMATION

Our Company was originally incorporated as 'Emcure Pharmaceuticals Private Limited', as a private limited company under the provisions of the Companies Act, 1956, pursuant to a certificate of incorporation dated April 16, 1981 issued by the Registrar of Companies, Maharashtra at Bombay. Our Company became a deemed public company under section 43A(1A) of the Companies Act, 1956 with effect from July 1, 1993, the word 'Private' was removed from the name of our Company and the certificate of incorporation of our Company was endorsed by the Registrar of Companies, Maharashtra at Bombay to that effect. Subsequently, our Company was converted from a deemed public company into a public company and the name of our Company was changed to 'Emcure Pharmaceuticals Limited', pursuant to our shareholders resolution dated August 20, 2001 and a fresh certificate of incorporation was issued by the Registrar of Companies, Maharashtra at Pune on September 18, 2001.

For further details, including in relation to changes in name and registered office of our Company, see "*History and Certain Corporate Matters*" on page 211.

Emcure Pharmaceuticals Limited

Registered Office
Emcure House, T-184
M.I.D.C., Bhosari
Pune - 411 026
Maharashtra, India.
Tel: + (91) 20 35010000/ 40700000
Fax: + (91) 020-35010111
E-mail: **investors@emcure.co.in**
Website: www.emcure.com

Corporate Office
Plot No. P2, IT-BT Park
Phase II, M.I.D.C., Hinjawadi
Pune - 411057, Maharashtra, India
Tel: +(91) 20 35070033
Fax: 020 35070022

Corporate identity number and registration number

Corporate Identity Number: U24231PN1981PLC024251
Registration Number: 024251

Address of the RoC

Our Company is registered with the Registrar of Companies, Maharashtra at Pune situated at the following address:

Registrar of Companies
PCNTDA Green Building
Block A, 1st & 2nd Floor
Near Akurdi Railway Station,
Akurdi, Pune – 411 044
Maharashtra, India.

Our Board

Our Board comprises the following Directors as on the date of filing of this Draft Red Herring Prospectus:

Name	Designation	DIN	Address
Berjis Desai	Chairman and Independent Director	00153675	Flat No. 801, 12th, 9A Residences, 12th Floor, Bomanji Petit Road, Cumballa Hill, Mumbai – 400026
Satish Mehta	Managing Director and Chief Executive Officer	00118691	Road no. 4 Prasanna, Mumbai Pune Road, Opp Khadki Police Station, Khadki, Pune – 411003, Maharashtra.
Sunil Mehta	Whole-time Director	00118469	Bangla No.4 Mumbai Pune Road, Opposite Khadki Police

Name	Designation	DIN	Address
			Station Khadki, Pune – 411003, Maharashtra.
Namita Thapar	Whole-time Director	05318899	C-6 S.No. 86 to 90 Castel Royal Towers near Joshi Gate Pune University, Pune- 411005
Mukund Gurjar	Whole-time Director	00026843	C/8 Priyadarshini Co-op Housing Society, Spring Flowers, Off Pashan Road, Near N.C.L Panchawati, Pune City, Pune, Maharashtra 411008
Shreekant Bapat	Independent Director	00621568	Plot No 56, United Western Hsg Society, Near Talhawade Udyan, Karvenagar, Navsahyadri, Pune City, Pune Maharashtra 411052.
Palamadai Jayakumar	Independent Director	01173236	Flat No. B-803, 8th Floor, B wing, Vivarea, Near Jacob Circle, Sane Guruji Marg, Mahalaxmi, Mumbai- 400011 Maharashtra.
Samonnoi Banerjee	Non-Executive Director (Nominee)	06874206	B-303, Kaveri Apartments, 5th Road, Chembur, Mumbai-400071 Maharashtra
Shailesh Ayyangar	Non-Executive Non-Independent Director	00268076	V09, Adarsh Palm Retreat, Phase 1 and 2, Devara Beesana Halli, Bengaluru, Karnataka 560103
Vijay Gokhale	Independent Director	09134089	7th Floor, F/701A, Wing-G, Waterfront Condominiums, S. No. 212/1, Kalyaninagar, Pune, Maharashtra 411006
Vidya Yeravdekar	Independent Director	02183179	Rajlakshmi Apartments, 39 Laxmi Park Colony, Navi Peth, Pune, Maharashtra – 411030
Hitesh Jain	Independent Director	00130023	Alka Co-op Housing Society, 'B' Road, Flat 13, 2nd Floor, 40 Marine Drive, Mumbai-400020

For further details of our Directors, see "*Our Management*" on page 227.

Company Secretary and Compliance Officer

B. Renganathan
Emcure House, T-184
M.I.D.C., Bhosari
Pune – 411 026
Maharashtra, India.
Tel: +(91) 20 66770000 / 4070 0000
E-mail: investors@emcure.co.in

Investor Grievances

Investors can contact the Company Secretary and Compliance Officer, the Managers 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 orders or non-receipt of funds by electronic mode.

All Offer related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, UPI ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for, the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder and ASBA Account number (for Bidders other than RIBs using the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of RIBs using the UPI Mechanism.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the 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. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

Global Co-ordinators and Book Running Lead Managers

Axis Capital Limited
1st Floor, Axis House
C-2 Wadia International Centre
Pandurang Budhkar Marg

Mumbai 400 025
Maharashtra, India
Tel.: +(91) 22 4325 2183
E-mail: emcure.ipo@axiscap.in
Investor grievance e-mail: complaints@axiscap.in
Website: www.axiscapital.co.in
Contact Person: Sagar Jatakiya / Akash Aggarwal
SEBI Registration No.: INM000012029

BofA Securities India Limited
Ground Floor, "A" Wing
One BKC, "G" Block
Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Maharashtra, India
Telephone: +(91) 22 6632 8000
E-mail: dg.ipo_emcure@bofa.com
Investor Grievance E-mail: dg.india_merchantbanking@bofa.com
Contact Person: Stuti Bansal
Website: www.ml-india.com
SEBI Registration No.: INM000011625

Credit Suisse Securities (India) Private Limited
9th Floor, Ceejay House Plot F
Shivsagar Estate Dr. Annie Besant Road, Worli
Worli, Mumbai 400 018
Maharashtra, India
Tel.: + 91 22 6777 3885
E-mail: list.emcureipo@credit-suisse.com
Investor Grievance E-mail: list.igcellmer-bnkg@credit-suisse.com
Website: https://www.credit-suisse.com/in/en/investment-banking-apac/investment-banking-in-india/ipo.html
Contact Person: Devesh Pandey
SEBI Registration No.: INM000011161

JM Financial Limited*
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi
Mumbai 400 025
Maharashtra, India
Tel: +(91) 22 6630 3030
E-mail: emcure.ipo@jmfl.com
Investor Grievance E-mail: grievance.ibd@jmfl.com
Website: www.jmfl.com
Contact Person: Prachee Dhuri
SEBI Registration No.: INM000010361
* *Role of JM Financial Limited shall be limited only to marketing of the Offer.*

Book Running Lead Manager

BOB Capital Markets Limited
Parinee Crescenzo, 1704, B Wing, 17th Floor
Plot no. C-38/39, G Block BKC
Bandra East, Mumbai 400 051
Maharashtra, India
Tel.: +(91) 22 6138 9300
E-mail: emcure.ipo@bobcaps.in
Investor grievance e-mail: investorgrievance@bobcaps.in
Website: www.bobcaps.in
Contact person: Ninad Jape/Nivedika Chavan
SEBI Registration No.: INM000009926

Syndicate Members

[●]

Legal Counsel to our Company as to Indian law

AZB & Partners
AZB House,
Peninsula Corporate Park
Ganpatrao Kadam Marg
Lower Parel
Mumbai 400 013, India
Tel: +91 22 6639 6880

Legal Counsel to the Investor Selling Shareholder as to Indian Law

AZB & Partners
AZB House
Plot No. A8, Sector 4
Noida 201 301
India
Tel: +(91) 120 417 9999

Legal Counsel to the Managers as to Indian law

Khaitan & Co
One World Center
10th and 13th Floors, Tower 1C
841 Senapati Bapat Marg
Mumbai – 400 013, India
Tel: +(91) 22 6636 5000

International Legal Counsel to the Managers

Sidley Austin LLP
Level 31
Six Battery Road
Singapore 049909
Tel: + (65) 6230 3900

Legal Counsel to the Promoter Selling Shareholders, Promoter Group Selling Shareholders and Other Selling Shareholders

Parinam Law Associates
4th Floor, Express Towers
Ramnath Goenka Marg, Nariman Point
Mumbai - 400 021
Maharashtra, India
Tel: 022 4241 000

Auditors to our Company

B S R & Co. LLP, Chartered Accountants
8th Floor, Business Plaza, Westin Hotel Campus
36/3-B Koregaon Park Annex, Mundhwa Road
Pune – 411 001
Maharashtra, India
Email: abhishekp@bsraffiliates.com
Tel: +(91) (020) 6747 7000
Firm registration number: 116231W/W-100024

Peer review number: 011748

Changes in the auditors

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

Registrar to the Offer

Link Intime India Private Limited
C-101, 1st Floor, 247 Park
L.B.S Marg
Vikhroli West
Mumbai 400 083
Maharashtra, India
Tel: +(91) 22 4918 6200
E-mail: emcurepharma.ipo@linkintime.co.in
Investor grievance e-mail: emcurepharma.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact person: Ms. Shanti Gopalkrishnan
SEBI registration number: INR000004058

Escrow Collection Bank

[●]

Public Offer Bank

[●]

Refund Bank

[●]

Sponsor Bank

[●]

Banker to our Company

Axis Bank Limited
Survey No. 186, Station Road
Opp. Ram Krishan More Sabha Gruh
Near Tata Motors Gat, Chinchwad
Pune – 411033, Maharashtra, India
Tel: 020-66343447, 8380087810, 8806901031
Email: pimpri.branchhead@axisbank.com, pimpri.operationshead@axisbank.com
Website: www.axisbank.com
Contact Person: Ramawtar Ojha

Bank of Maharashtra
Industrial Finance Branch, 1183/A, Yashomangal
2nd Floor, Fergusson College Road
Shivajinagar, Pune- 411005
Tel: 020-25573371
Website: www.bankofmaharashtra.in
Email: brmgr941@mahabank.co.in
Contact Person: Mr. Rupesh Biswas

Bank of Baroda
CFS Branch

29, Mantri Court, RTO Road, Pune 411 001
Tel: 020-26058283
Website: www.Bankofbaroda.in
Email: CORPUN@bankofbaroda.com
Contact Person: Mr. Shitesh Kumar

Export-Import Bank of India
Centre One Building, Floor 21
World Trade Centre Complex
Cuffe Parade, Mumbai – 400005
Maharashtra, India
Tel: 020-26403100
Email: eximpro@eximbankindia.in
Website: www.eximbankindia.in
Contact Person: Ms. Chitra Raste

HDFC Bank Limited
21/6 Marathon IT Park
Bund Garden Road, Pune – 411001
Maharashtra, India
Tel: 020-67694661
Email: tushar.thakkar@hdfcbank.com, prashant.iyer@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Mr. Tushar Thakkar and Mr. Prashant Iyer

Standard Chartered Bank
B2, Gr. Floor, The Cerebrum IT Park
Kalyaninagar, Pune – 411014
Maharashtra, India
Tel: 020-67009806
Email: Prakashchandra.patel@sc.com
Website: www.sc.com
Contact Person: Mr. Prakash Chandra Patel

State Bank of India
Tara Chambers, Old Mumbai Pune Highway
Wakdewadi, Pune 411 003
Tel: 020-25618211
Website: www.sbi.co.in
Email: rm1.ifbpune@sbi.co.in
Contact Person: Mr. Shrinivas Gupta

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.

S**CSBs 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, RIBs Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI, , which may be updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number

SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors and RIBs) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time or any other website 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 https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time or any other website prescribed by SEBI from time to time.

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stock broker 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.

RTAs

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/Markets/PublicIssues/RtaDp.aspx? and https://www.nseindia.com/products/consent/equities/ipos/asba-procedures.htm, 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 http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, as updated from time to time.

Experts

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

i. Our Company has received written consent dated August 12, 2021 from BSR & Co. LLP, Chartered Accountants, to include their name as required under section 26 (5)of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) their examination report dated August 12, 2021 on our Restated Consolidated Financial Statements; and (ii) their report dated August 12, 2021 on the Statement of Possible Special Tax Benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act;

ii. written consent dated August 7, 2021 from Madhav Shridhar Karandikar, Chartered Engineer, to include his name as an "expert" as defined under section 2(38) and 26(5) of the Companies Act, 2013 to the extent and in their capacity as the independent chartered engineer and in respect of the certificates issued by him and included in this Draft Red Herring Prospectus.

The above mentioned consents have not been withdrawn as on the date of this Draft Red Herring Prospectus.

Monitoring Agency

Our Company will appoint a monitoring agency to monitor utilization of the Net Proceeds, in accordance with Regulation 41 of the SEBI ICDR Regulations, prior to the filing of the Red Herring Prospectus. For further details in relation to the proposed utilisation of the Net Proceeds, see "*Objects of the Offer*" on page 127.

Appraising Entity

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

Statement of inter-se allocation of responsibilities of the Managers

Sr. No	Activity	Responsibility	Co-ordinator
1.	Capital structuring, positioning strategy and due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus and of statutory advertisements including a memorandum containing salient features of the Prospectus. The Managers 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.	All Managers	Axis
2.	Drafting and approval of all statutory advertisement	All Managers	Axis
3.	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.	All Managers	BofA Securities
4.	Appointment of Registrar to the Offer, Advertising Agency and Printer to the Offer including co-ordination for their agreements.	All Managers	Axis
5.	Appointment of all other intermediaries and including co-ordination for all other agreements	All Managers	CS
6.	Preparation of road show presentation and FAQs	All Managers	BofA Securities
7.	International institutional marketing of the Offer, which will cover, *inter alia*: • Finalizing the list and division of international investors for one-to-one meetings • Finalizing international road show and investor meeting schedules	All Managers	CS
8.	Domestic institutional marketing of the Offer, which will cover, *inter alia*: • Finalizing the list and division of domestic investors for one-to-one meetings • Finalizing domestic road show and investor meeting schedules	All Managers	CS
9.	Conduct non-institutional marketing of the Offer, which will cover, *inter-alia*: • Finalising media, marketing and public relations strategy; • Formulating strategies for marketing to Non-Institutional Investors	All Managers	JM
10.	Conduct retail marketing of the Offer, which will cover, *inter-alia*: • Finalising media, marketing, public relations strategy and publicity budget including list of frequently asked questions at retail road shows • Finalising collection centres • Finalising centres for holding conferences for brokers etc. • Finalising commission structure • Follow-up on distribution of publicity and Offer material including form, RHP/Prospectus and deciding on the quantum of the Offer material	All Managers	JM
11.	Managing anchor book related activities and submission of letters to regulators post completion of anchor allocation, book building software, bidding terminals and mock trading, payment of 1% security deposit to the designated stock exchange.	All Managers	BofA Securities
12.	Managing the book and finalization of pricing in consultation with the Company.	All Managers	BofA Securities
13.	Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs and Banks, intimation of allocation and dispatch of refund to	All Managers	Axis

Sr. No	Activity	Responsibility	Co-ordinator
	Bidders, etc. Post-Offer activities, which shall involve essential follow-up steps including allocation to Anchor Investors, follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising the Issuer 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, unblocking of application monies and coordination with various agencies connected with the post-Offer activity such as registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable. Payment of the applicable securities transactions tax on sale of unlisted equity shares by the Selling Shareholder under the Offer for Sale to the Government and filing of the securities transactions tax return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004. Co-ordination with SEBI and Stock Exchanges for refund of 1% security deposit and submission of all post Offer reports including the initial and final post Offer report to SEBI		

Credit Rating

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

IPO Grading

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

Debenture Trustees

As this is an offer of Equity Shares, no debenture trustee has been appointed for the Offer.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus has been filed electronically with SEBI at cfddil@sebi.gov.in in accordance with the SEBI circular dated March 27, 2020, in relation to "*Easing of Operational Procedure – Division of Issues and Listing – CFD*"; and will be filed with SEBI's electronic platform at: https://siportal.sebi.gov.in/intermediary/index.html, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 and Regulation 25(8) of the SEBI ICDR Regulations.

A copy of the Red Herring Prospectus, along with the material documents and contracts required to be filed, will be filed with the RoC in accordance with Section 32 of the Companies Act and a copy of the Prospectus required to be filed under Section 26 of the Companies Act, will be filed with the RoC.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms (and the Revision Forms) within the Price Band, which will be decided by our Company, in consultation with the Selling Shareholders and the Managers, and if not disclosed in the Red Herring Prospectus, will be advertised in all editions of the English national daily newspaper [●], all editions of the Hindi national daily newspaper [●] and [●] edition of the Marathi 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 on their respective websites. The Offer Price shall be determined by our Company in consultation with the Selling Shareholders and the Managers after the Bid/Offer Closing Date. For further details, see "*Offer Procedure*" on page 417.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs. In addition to this, the RIBs may 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 accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. RIBs Bidding in the Retail Portion or Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date. Further, Anchor Investors are not allowed to revise and withdraw their Bids after the Anchor Investor Bid/Offer Period. Except for Allocation to RIBs and the Anchor Investors, Allocation in the Offer will be on a proportionate basis. Allocation to the Anchor Investors will be on a discretionary basis.

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

Bidders should note that the Offer is also subject to obtaining (i) final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment within six Working Days of the Bid/Offer Closing Date or such other time period as prescribed under applicable law.

For further details on the method and procedure for Bidding, see "*Offer Structure*" and "*Offer Procedure*" on pages 413 and 417, respectively.

Illustration of Book Building Process and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see "*Terms of the Offer*" and "*Offer Procedure"* on pages 408 and 417, respectively.

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 will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. It is proposed that pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, specified therein.

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

(This portion has been intentionally left blank and will be completed before filing 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 above-mentioned is indicative underwriting and will be finalised after determination of Offer Price and and actual allocation in accordance with provisions of Regulation 40(2) of the SEBI ICDR Regulations.

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

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set

forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement. 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 filing the Prospectus with the RoC. The extent of underwriting obligations and the Bids to be underwritten in the Offer by each Manager shall be as per the Underwriting Agreement.

CAPITAL STRUCTURE

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

(*in ₹, except share data*)

		Aggregate nominal value	Aggregate value at Offer Price [(1)]
A	**AUTHORIZED SHARE CAPITAL***		
	250,000,000 Equity Shares of face value ₹10 each	2,500,000,000	-
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	180,852,116 Equity Shares of face value ₹10 each	1,808,521,160	-
C	**PRESENT OFFER**		
	Offer of up to [●] Equity Shares of face value ₹10 each [(1)(2)(4)]	[●]	[●]
	Of which		
	Fresh Issue of [●] Equity Shares of face value ₹10 each aggregating up to 11,000 million[(1)]		
	Offer for Sale of up to 18,168,356 Equity Shares of face value ₹10 each aggregating up to [●] million [(1)(3)]		
	Which includes;		
	Employee Reservation Portion of up to [●] Equity Shares aggregating up to ₹ [●] million[(5)]	[●]	[●]
	Net Offer of up to [●] Equity Shares	[●]	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**		
	[●] Equity Shares of face value ₹10 each	[●]	-
E	**SHARE PREMIUM ACCOUNT**		
	Before the Offer	[●]	
	After the Offer	[●]	

(1) To be included upon finalization of the Offer Price.

(2) The Offer has been authorised by our Board pursuant to its resolution dated July 27, 2021 and the Fresh Issue has been approved by our Shareholders pursuant to their resolution dated July 30, 2021.

(3) Each of the Selling Shareholders confirms that the Equity Shares being offered by it are eligible for being offered for sale pursuant to the Offer in terms of Regulation 8 of the SEBI ICDR Regulations. For further details of authorizations received for the Offer, see "Other Regulatory and Statutory Disclosures" on page 393.

(4) Our Company in consultation with the Selling Shareholders and the Managers, may consider a Pre-IPO Placement of Equity Shares for a cash consideration aggregating up to ₹2,000 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the Managers and the Selling Shareholders, and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.

(5) In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation up to ₹ 500,000), shall be added to the Net Offer. Our Company in consultation with the Selling Shareholders and Managers, may offer a discount of up to [●]% of the Offer Price to Eligible Employees bidding in the Employee Reservation Portion which shall be announced two Working Days prior to the Bid/Offer Opening Date.

** For details in relation to the changes in the authorised share capital of our Company, see "History and Certain Corporate Matters – Amendments to our Memorandum of Association in the last 10 years" on page 211*

Notes to the Capital Structure

1. **Share capital history of our Company:**

(a) Equity Share capital

The history of the Equity Share capital of our Company is set forth in the table below:

Date of allotment of equity shares	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Nature of allotment	Cumulative number of equity shares	Cumulative paid up-equity share capital (₹)
May 15, 1981	20	100	100	Cash	Initial subscription to MoA[(1)]	20	2,000
May 15, 1982*	1,000	100	100	Cash	Further allotment[(2)]	1,020	102,000
May 15, 1982*	3,984	100	100	Cash	Further allotment[(3)]	5,004	500,400
September 10, 1982*	3,000	100	100	Cash	Further allotment[(4)]	8,004	800,400
December 26, 1984*	2,006	100	100	Cash	Further allotment[(5)]	10,010	1,001,000
May 22, 1986*	9,990	100	100	Cash	Further allotment[(6)]	20,000	2,000,000
May 25, 1987*	4,500	100	100	Cash	Further allotment[(7)]	24,500	2,450,000
June 27, 1987*	50	100	100	Cash	Further allotment[(8)]	24,550	2,455,000
March 31, 1989*	5	100	100	Cash	Further allotment[(9)]	24,555	2,455,500
January 24, 1994*	24,555	100	-	N.A.	Bonus issue[(10)]	49,110	4,911,000
February 22, 1994*	25,890	100	100	Cash	Further allotment [(11)]	75,000	7,500,000
March 18, 1994*	75,000	100	-	N.A.	Bonus issue[(12)]	150,000	15,000,000
March 18, 1994 *	The equity shares of our Company were sub-divided into face value of ₹ 10 per equity share of our Company from face value of ₹ 100 per equity share					1,500,000	15,000,000
January 23, 1999	10,000	10	10	Cash	Further allotment [(13)]	1,510,000	15,100,000
May 22, 1999	80,000	10	-	Other than cash	Scheme of amalgamation[(14)]	1,590,000	15,900,000
September 23, 2000	8,000	10	80	Cash	Further allotment [(15)]	1,598,000	15,980,000
June 15, 2001	967,498	10	-	Other than cash	Scheme of amalgamation [(16)]	2,565,498	25,654,980
September 29, 2001	5,130,996	10	-	N.A.	Bonus issue[(17)]	7,696,494	76,964,940
March 30, 2004	103,506	10	10	Cash	Preferential allotment [(18)]	7,800,000	78,000,000
March 30, 2004	50,000	10	60	Cash	Preferential allotment [(19)]	7,850,000	78,500,000
August 27, 2004	3,925,000	10	10	Cash	Rights issue [(20)]	11,775,000	117,750,000
April 6, 2005	150,000	10	80	Cash	Preferential allotment [(21)]	11,925,000	119,250,000
June 1, 2006	17,887,500	10	-	N.A.	Bonus issue [(22)]	29,812,500	298,125,000
August 3, 2006	226,325	10	497.30	Cash	Preferential allotment[(23)]	30,038,825	300,388,250
November 15, 2006	350,000	10	10	Cash	Preferential allotment[(24)]	30,388,825	303,888,250
November 15, 2006	400,000	10	35	Cash	Preferential allotment[(25)]	30,788,825	307,888,250
January 18, 2008	76,710	10	10	Cash	Preferential allotment[(26)]	30,865,535	308,655,350
September 28, 2010	4,300,154	10	-	Other than cash	Conversion of optionally convertible redeemable preference shares of our	35,165,689	351,656,890

Date of allotment of equity shares	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Nature of allotment	Cumulative number of equity shares	Cumulative paid up-equity share capital (₹)
					Company to equity[27]		
April 19, 2013	10,047,340	10	10	Cash	Rights issue[28]	45,213,029	452,130,290
March 22, 2016	135,639,087	10	-	N.A.	Bonus issue[29]	180,852,116	1,808,521,160

** Form 2's for certain past allotments of equity shares made by our Company could not be traced as the relevant information was not available in the records maintained by our Company, the Ministry of Corporate Affairs at the MCA Portal and the RoC. Accordingly, we have relied on the search report dated August 17, 2021 prepared by Manish Ghia & Associates, independent practicing company secretary, and certified by their certificate dated August 17, 2021 ("**RoC Search Report**"). For details of risks arising out of missing or untraceable past secretarial records of our Company, see "Risk Factors – Some of our corporate records relating to forms filed with the RoC are not traceable" on page 61.*

(1) Allotment of 10 equity shares to Ramanlal Ambalal Mehta and 10 equity shares to Satish Mehta

(2) Allotment of 200 equity shares each to Ramanlal Ambalal Mehta, Satish Mehta, Hiralal A. Mehta, Rajanikant Hiralal Mehta, Kokilaben Shah.

(3) Allotment of 3 equity shares to R.A Mehta, (HUF I), Ramanlal Ambalal Mehta- Karta, 620 equity shares to Ramanlal Ambalal Mehta, Karta R.A Mehta, (HUF II), 1 equity share to Sushila Ramanlal Mehta, 30 equity shares to Satish Mehta –Karta, 450 equity shares to Namita Satish Mehta (Minor) – Guardian – Satish Mehta, 50 equity shares to Samit Mehta (Minor) – Guardian – Satish Mehta, 94 equity shares to Bhavana Mehta, 12 equity shares to Hiralal Ambalal Mehta (HUF I), 620 equity shares to Hiralal Ambalal Mehta (HUF II), 2 equity shares to Lilavati Hiralal Mehta, 1 equity share to Rajanikant Hiralal Mehta (HUF), 1 equity share to Pushpa Mehta, 31 equity shares to Sunil Mehta, 1 equity share to Sanjay Mehta, 300 equity shares to Swati Rajanikant Mehta, 300 equity shares to Smita Rajanikant Mehta, 4 equity shares to Kokilaben Shah (HUF-Popatlal Shah), 130 equity shares to Piyush Popatlal Shah, 250 equity shares to Suhas Popatlal Shah, 250 equity shares to Sandeep Popatlal Shah, 400 equity shares to Yudhvir B. Suri, 217 equity shares to Rajiv Yudhvir Suri, 217 equity shares to Samir Yudhvir Suri.

(4) Allotment of 120 equity shares to Ramanlal Ambalal Mehta, 5 equity shares to R.A Mehta, (HUF I), Ramanlal Ambalal Mehta - Karta, 370 equity shares to Ramanlal Ambalal Mehta, Karta R.A Mehta, (HUF II), 5 equity shares to Sushila Ramanlal Mehta, 50 equity shares to Satish Mehta, 75 equity shares to Satish Mehta –Karta, 125 equity shares to Namita Satish Mehta (Minor) – Guardian – Satish Mehta, 100 equity shares to Samit Satish Mehta (Minor) – Guardian – Satish Mehta, 150 equity shares to Bhavana Mehta, 75 equity shares to Hiralal A.Mehta, 5 equity shares to Hiralal A. Mehta (HUF I), 50 equity shares to Hiralal A. Mehta (HUF II), 370 equity shares to Lilavati Hiralal Mehta, 20 equity shares to Rajanikant Hiralal Mehta, 20 equity shares to Rajanikant Hiralal Mehta (HUF), 20 equity shares to Pushpa Mehta, 20 equity shares to Sunil Mehta, 20 equity shares to Sanjay Mehta, 200 equity shares to Swati Rajanikant Mehta, 200 equity shares to Smita Rajanikant Mehta, 50 equity shares to Kokilaben Shah, 50 equity shares to Kokilaben Shah (HUF-Popatlal Shah), 100 equity shares to Piyush Popatlal Shah, 150 equity shares to Suhas Popatlal Shah¸ 150 equity shares to Sandeep Popatlal Shah, 250 equity shares to Yudhvir B. Suri, 125 equity shares to Rajiv Yudhvir Suri, 125 equity shares to Samir Yudhvir Suri.

(5) Allotment of 1,000 equity shares to Shaila Gujar, 1,000 equity shares to Suhas Saumil Shah and 6 equity shares to Emfin Investment Pvt. Ltd.

(6) Allotment of 220 equity shares to Ramanlal Ambalal Mehta, 900 equity shares to R.A Mehta (HUF I), Ramanlal Ambalal Mehta- Karta, 1,490 equity shares to Satish Mehta, 1,250 equity shares to Satish Mehta –Karta, 500 equity shares to Bhavana Mehta, 100 equity shares to Hiralal A. Mehta, 1,600 equity shares to Hiralal A. Mehta (HUF I), 680 equity shares to Rajanikant Hiralal Mehta, 1,250 equity shares to Rajanikant Hiralal Mehta (HUF), 390 equity shares to Pushpa Mehta, 150 equity shares to Sunil Mehta, 200 equity shares to Sanjay Mehta, 1,250 equity shares to Piyush Popatlal Shah, 1 equity share to Suhas Saumil Shah, 1 equity share to Saumil Jasubhai Shah, 1 equity share to Sushma Jasubhai Shah, 1 equity share to Jashwantalal Shah, 1 equity share to Vidula Jasubhai Shah, 1 equity share to Jaswantlal Manilal Shah (HUF), 1 equity share to Paresh Patel, 1 equity share to Ramesh Bhogilal Shah, 1 equity share to Ushaben Jashwantlal Shah, 1 equity share to Jashwantlal Chandulal Shah.

(7) Allotment of 250 equity shares to Ramanlal Ambalal Mehta, 250 equity shares to Hiralal A. Mehta (HUF I), 2,000 equity shares to Shaila Gujar and 2,000 equity shares to Suhas Saumil Shah.

(8) Allotment of 20 equity shares to Satish Mehta, 10 equity shares to Rajanikant Hiralal Mehta and 20 equity shares to Sunil Mehta

(9) Allotment of 5 equity shares to Lasor Laboratories Pvt. Ltd.

(10) Bonus issue in the ratio of one equity share of face value of ₹ 100 each for every one equity share of face value of ₹ 100 each authorised by our Shareholders through a resolution passed in the EGM dated January 24, 1994.

(11) Allotment of 5,000 equity share to Ramanlal Ambalal Mehta, 4,500 equity shares to Satish Mehta, 3,000 equity shares to Samit Satish Mehta (Minor) – Guardian – Satish Mehta, 445 equity shares to Bhavana Mehta, 1,000 equity shares to Hiralal A. Mehta, 3,000 equity shares to Rajanikant Hiralal Mehta, 1,500 equity shares to Rajanikant Hiralal Mehta (HUF), 3,945 equity shares to Pushpa Mehta, 2,500 equity shares to Sanjay Mehta, 1,000 equity shares to Kamini Mehta.

(12) Bonus issue in the ratio of one equity share of face value of ₹ 100 each for every one equity share of face value of ₹ 100 eachauthorised by our Shareholders through a resolution passed in the EGM dated March 18, 1994.

(13) Allotment of 5,500 Equity Shares to Arunkumar Khanna, 1,500 Equity Shares to Mahesh Shah, 1,500 Equity Shares to Arvind Vaman. Bhalerao and 1,500 Equity Shares to Avinash Medhekar.

(14) Allotment made to the shareholders of Lasor Drugs Limited in the ratio 16:100 pursuant to a court order dated April 22, 1999 approving the scheme of amalgamation, as an allotment of 4,800 Equity Shares to Ramanlal Ambalal Mehta, 4,800 Equity Shares to Sushila Ramanlal Mehta, 8,000 Equity Shares to Satish Mehta, 3,200 Equity Shares to Namita Satish Mehta, 3,200 Equity Shares to Samit Satish Mehta, 8,000 Equity Shares to Bhavana Mehta, 4,800 Equity Shares to Rajanikant Hiralal Mehta, 4,800 Equity Shares to Pushpa Mehta, 5,600 Equity Shares to Sunil Mehta, 5,600 Equity Shares to Sanjay Mehta, 3,200 Equity Shares to Lasor Laboratories Ltd., 5,600 Equity Shares to Kamini Mehta, 4,000 Equity Shares to Satish Mehta jointly with Bhavana Mehta, 2,400 Equity Shares to Sanjay Mehta jointly with Sonali Mehta, 1,920 Equity Shares to Bhavana Mehta jointly with Satish Mehta, 2,400 Equity Shares to Sunil Mehta jointly with Kamini Mehta, 1,280 Equity Shares to Pushpa Mehta jointly with Rajanikant Hiralal Mehta, 800 Equity Shares to Ramanlal Ambalal Mehta jointly with Sushila Ramanlal Mehta, 5,600 Equity Shares to Sonali Mehta.

(15) Allotment of 4,000 Equity Shares to Navnit Shah, allotment of 2,000 Equity Shares to Girish Desai, allotment of 2,000 Equity Shares to Jaydeep Desai jointly with Shobhna Desai.

(16) *Allotment made pursuant to a court order dated March 7, 2001 approving the scheme of amalgamation in the following proportion: (i) for every 100 equity shares of ₹ 10 each of Nucron Pharmaceuticals Limited ("**NPL**"), 25 Equity Shares of our Company were allotted to the shareholders of NPL; (ii) for every 100 equity shares of ₹10 each of Lasor Laboratories Limited ("**LLL**"), 45 Equity Shares of our Company were allotted to the shareholders of LLL; (iii) for every 100 equity shares of ₹100 each of Lasor Remedies Limited ("**LRL**"), 550 Equity Shares of our Company were allotted to the shareholders of LRL; (iv) for every 100 equity shares of ₹100 each of Emcure Laboratories Private Limited ("**ELPL**"), 1,000 Equity shares of our Company were allotted to the shareholders of ELPL; and (v) for every 100 equity shares of ₹100 each of Hiralal Mehta Sales Private Limited ("**HMS**"), 150 Equity Shares of our Company were allotted to the shareholders of HMS, as an allotment of 10,650 Equity Shares to Ramanlal Ambalal Mehta (HUF), 69,500 Equity Shares to Sushila Mehta, 194,767 Equity Shares to Satish Mehta, 19,350 Equity Shares to Satish Ramanlal Mehta (HUF) Karta, 68,200 Equity Shares to Namita Mehta, 85,975 Equity Shares to Samit Mehta, 71,947 Equity Shares to Bhavana Mehta,25,850 Equity Shares to Hiralal Ambalal Mehta (HUF) 61,315 Equity Shares to Rajanikant Mehta, 25,350 Equity Shares to Rajanikant Hiralal Mehta (HUF), 37,075 Equity Shares to Pushpa Mehta, 45,722 Equity Shares to Sunil Mehta, 51,097 Equity Shares to Sanjay Mehta, 56,285 Equity Shares to Kamini Mehta, 1,075 Equity Share to Rutav Mehta jointly with Sunil Mehta, 4,025 Equity Shares to Kamini Mehta jointly with Sunil Mehta, 26,995 Equity Shares to Sonali Mehta, 6,750 Equity Shares to Ushaben Shah, 38,150 Equity Shares to Omni-Protech Drugs Limited., 20,500 Equity Shares to Ramanlal Mehta, 3,815 Equity Shares to Anvi Mehta (through Sunil Mehta), 4,750 Equity Shares to Rutav Mehta (through Sunil Mehta), 10,000 Equity Shares to Umakant Shah, 500 Equity Shares to Shirish Limaye, 300 Equity Shares to Vijay Kulkarni, 300 Equity Shares to TSR Moorty, 300 Equity Shares to SD Kannure, 16,725 Equity Shares to Sonali Mehta jointly with Sanjay Mehta, 700 Equity Shares to Anvi Mehta jointly with Sonali Mehta, 3,250 Equity Shares to Rajnikant Mehta jointly with Pushpa Mehta, 5,400 Equity Shares to Rutav Mehta jointly with Kamini Mehta, 880 Equity Shares to Sanjay Mehta (HUF).*

(17) *Bonus issue in the ratio 2:1 authorised by our Shareholders through a resolution passed in the AGM dated August 31, 2000.*

(18) *Allotment of 6 Equity Shares to Sanjay Mehta, 3,700 Equity Shares to Shaila Gujar, 21,000 Equity Shares to Arunkumar Khanna, 5,000 Equity Shares to Mahesh Shah, 5,000 Equity Shares to Avinash Medhekar, 700 Equity Shares to Ushaben Jashvantlal Shah, 700 Equity Shares to Suhasini Saumil Shah, 3,700 Equity Shares to Swati Hetal Shah, 3,700 Equity Shares to Smita Paresh Shah, 4,000 Equity Shares to Bhalchandra Khare jointly with Padmini Khare, 4,000 Equity Shares to Shreekant Bapat jointly with Alaka Bapat, 4,000 Equity Shares to Dilip Shah jointly with Smita Dilip Shah, 4,000 Equity Shares to Rustom Phiroze Soonawala jointly with Piloo Rustom Soonawala, 4,000 Equity Shares to Berjis Desai, 3,000 Equity Shares to Narinder K. Sagar, 4,000 Equity Shares to Humayun Dhanrajgir, 7,000 Equity Shares to Mukund Gurjar, 10,000 Equity Shares to Mukund Ranade, 2,000 Equity Shares to Girish Arora, 10,000 Equity Shares to Prakash Kumar Guha, 2,000 Equity Shares to Chandrakant Shetty, 2,000 Equity Shares to Shriram Balasubramanian.*

(19) *Allotment of 50,000 Equity Shares to Jitendra Vir Singh.*

(20) *Allotment of 3,925,000 Equity Shares to the existing shareholders to our Company, pursuant to a rights issue in the ratio of one Equity Share for every two Equity Shares as an allotment of 1,121,695 Equity Shares to Satish Mehta, 110,325 Equity Shares to Satish Mehta (HUF), Satish Mehta – Karta, 201,660 Equity Shares to Namita Thapar, 436,817 Equity Shares to Samit Mehta, 304,585 Equity Shares to Bhavana Mehta, 307,469 Equity Shares to Sunil Mehta, 527,990 Equity Shares to Sanjay Mehta, 4,800 Equity Shares to Piyush Shah, 3,200 Equity Shares to Suhas Shah, 3,350 Equity Shares to Shaila Gujar, 294,429 Equity Shares to Kamini Mehta, 22,800 Equity Shares to Sanjay Mehta jointly with Sonali Mehta, 19,612 Equity Shares to Rutav Mehta jointly with Sunil Mehta, 43,037 Equity Shares to Kamini Mehta jointly with Sunil Mehta, 2,880 Equity Shares to Bhavana Mehta jointly with Satish Mehta, 7,800 Equity Shares to Sunil Mehta jointly with Kamini Mehta, 175,537 Equity Shares to Sonali Mehta, 1,500 Equity Shares to Jashwantlal Shah, 4,550 Equity Shares to Ushaben Shah, 1,500 Equity Shares Saumil Shah, 3,350 Equity Shares to Suhasinee Shah, 8,250 Equity Shares to Surekha Shah, 750 Equity Shares to Rita Desai, 3,350 Equity Shares to Swati Shah, 3,350 Equity Shares to Smita Shah, 6,050 Equity Shares to Bhalchandra Khare jointly with Padmini Khare, 7,100 Equity Shares to Shreekant Bapat jointly with Alaka Bapat, 5,600 Equity Shares to Dilip Shah jointly with Smita Shah, 3,500 Equity Shares to Rustom Soonawala jointly with Piloo Soonawala, 5,000 Equity Shares to Berjis Desai, 3,000 Equity Shares to N. K. Sagar, 750 Equity Shares to Milind Lad, 1,500 Equity Shares to Anoop Sood, 450 Equity Shares to Ajit Mehta, 450 Equity Shares to Anil Verma, 950 Equity Shares to Manjusha Joshi, 450 Equity Shares to Yeshwant Agte, 450 Equity Shares to Uday Borde, 750 Equity Shares to Mahinder Punwani, 750 Equity Shares to Raju Kalera, 6,000 Equity Shares to Navnit Shah, 3,000 Equity Shares to Girish Desai, 3,000 Equity Shares to Jaydeep Desai jointly with Shobhna Desai, 5,000 Equity Shares to Humayun Dhanrajgir, 50,000 Equity Shares to Arunkumar Khanna, 10,000 Equity Shares to Mahesh Shah, 10,750 Equity Shares to Avinash Medhekar, 3,000 Equity Shares to Venkappa Agadi jointly with Kamala Agadi, 750 Equity Shares to Mohan Gujar jointly with Leela Gujar, 50,772 Equity Shares to Anvi Mehta, 7,125 Equity Shares to Rutav Mehta, 15,000 Equity Shares to Umakant Shah, 450 Equity Shares to Vijay Kulkarni, 450 Equity Shares to TSR Moorthy, 450 Equity Shares to S.D. Kannure, 26,057 Equity Shares to Sonali Mehta jointly with Sanjay Mehta, 19,215 Equity Shares to Anvi Mehta jointly with Sonali Mehta, 9,870 Equity Shares to Rutav Mehta jointly with Kamini Mehta, 1,875 Equity Shares to Sanjay Mehta (HUF), Sanjay Mehta - Karta, 750 Equity Shares to Pralhad Lande, 5,000 Equity Shares to Mukund Gurjar, 6,500 Equity Shares to Mukund Ranade, 450 Equity Shares to Balaji Dev, 250 Equity Shares to Chaitanya Golikare, 250 Equity Shares to Rajesh Nair, 250 Equity Shares to Nishith Trivedi, 500 Equity Shares to Dilip Deobagkar, 2,500 Equity Shares to Ajay Bharadwaj, 2,500 Equity Shares to Rakesh Bamzai, 25,000 Equity Shares to Jitendra Singh, 5,000 Equity Shares to Prakash Kumar Guha, 1,000 Equity Shares to Chandrakant Shetty, 1,000 Equity Shares to Shriram Balasubramanian.*

(21) *Allotment of 100,000 Equity Shares to Mahendra Raojibhai Patel and 50,000 Equity Shares to Joseph D. Renner.*

(22) *Bonus issue in the ratio of three Equity Shares for every two Equity Shares authorised by our Shareholders through a resolution passed in the AGM dated May 27, 2006.*

(23) *Allotment of 226,325 Equity Shares to Blackstone GPV Capital Partners Mauritius V-C Limited.*

(24) *Allotment of 125,000 Equity Shares to Arunkumar Khanna, 10,000 Equity Shares to Shreekant Bapat jointly with Alaka Bapat, 6,000 Equity Shares to Manjusha Joshi, 10,000 Equity Shares to Humayun Dhanrajgir jointly with Jini Dhanrajgir, 20,000 Equity Shares to Mukund Gurjar, 25,000 Equity Shares to Mukund Ranade, 15,000 Equity Shares to Milind Moreshwar Gharpure, 3,000 Equity Shares to Sainath Iyer, 6,000 Equity Shares to Gaurango Mukherji, 75,000 Equity Shares to Sanjay Bhanu Singh jointly with Kavita Sanjay Singh, 50,000 Equity Shares to Hemlata Govind Dalvi, 5,000 Equity Shares to Hitesh Jain.*

(25) *Allotment of 40,000 Equity Shares to Vikas Thapar, 50,000 Equity Shares to Nilesh M. Patel, 200,000 Equity Shares to Marvin Samson, 50,000 Equity Shares to Fakrul Sayeed, 30,000 Equity Shares to Neha Navnit Shah, 30,000 Equity Shares to Mona Navnit Shah.*

(26) *Allotment of 76,710 Equity Shares to Blackstone GPV Capital Partners Mauritius V-C Limited.*

(27) *Upon conversion of 17,931,642 optionally convertible redeemable preference shares held by Blackstone GPV Capital Partners Mauritius V-C Limited into 4,300,154 Equity Shares.*

(28) *Allotment of 10,047,340 Equity Shares to the existing shareholders to our Company, pursuant to a rights issue in the ratio of two Equity Shares for every seven Equity Shares held as an allotment of 8,063,535 Equity Shares to Satish Mehta, 7,179 Equity Shares to Shaila Gujar, 142,857 Equity Shares to Arunkumar Khanna, 21,428 Equity Shares to Mahesh Shah, 23,036 Equity Shares to Avinash Medhekar, 3,214 Equity Shares to Jashvantlal Shah, 9,750 Equity Shares to Ushaben Shah, 3,214 Equity Shares to Saumil Shah, 7,179 Equity Shares to Suhasini Shah, 17,679 Equity Shares to Surekha Shah, 1,607 Equity Shares to Rita Desai, 7,179 Equity Shares to Swati Shah, 7,179 Equity Shares to Smita Paresh Shah, 25,928 Equity Shares to Bhalchandra Khare jointly with Padmini Khare, 18,071 Equity*

Shares to Shreekant Bapat jointly with Alaka Bapat, 12,000 Equity Shares to Dilip Shah jointly with Smita Shah, 7,500 Equity Shares to Rustom Phiroze Soonawala jointly with Piloo Rustom Soonawala, 10,714 Equity Shares to Berjis Desai, 6,429 Equity Shares to N.K. Sagar, 1,607 Equity Shares to Milind Lad, 964 Equity Shares to Uday Borde, 1,607 Equity Shares to Raju Kalera, 6,429 Equity Shares to Girish Desai, 6,429 Equity Shares to Jaydeep Desai jointy with Shobhna Desai, 13,571 Equity Shares to Humayun Dhanrajgir jointly with Jini Dhanrajgir, 32,143 Equity Shares to Umakant Shah, 964 Equity Shares to Vijay Kulkarni, 16,429 Equity Shares to Mukund Gurjar, 21,071 Equity Shares to Mukund Ranade, 964 Equity Shares to Balaji Dev, 53,571 Equity Shares to Jitendra Vir Singh, 10,714 Equity Shares to Prakash Kumar Guha, 2,143 Equity Shares to Chandrakant Vittal Shetty, 2,143 Equity Shares to Shriram Balasubramanian, 71,429 Equity Shares to Mahendra Patel, 1,315,197 Equity Shares to Blackstone GPV Capital Partners Mauritius V-C Limited, 21,429 Equity Shares to Sanjay Singh jointly with Kavita Singh, 1,429 Equity Shares to Hitesh Jain, 57,143 Equity Shares to Marvin Samson, 14,286 Equity Shares to Fakrul Sayeed.

(29) Bonus issue in the ratio of three Equity Shares for every one Equity Share authorised by our Shareholders through a resolution passed in the EGM dated March 22, 2016.

(b) Preference share capital

While our Company has issued preference shares in the past; it does not have any existing preference shares as on the date of the Draft Red Herring Prospectus, and all preference shares issued in the past have been converted into Equity Shares as of the date of this Draft Red Herring Prospectus.

2. Except as disclosed below, our Company has not issued any Equity Shares or preference shares through bonus or for consideration other than cash or out of revaluation of reserves at any time since incorporation:

Date of allotment	Names of allottees	Number of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature/Reason of allotment	Benefits accrued to our Company
January 24, 1994*	Equity Shareholders of our Company[(1)]	24,555	100	-	Bonus issue	Capitalisation of profits
March 18, 1994*	Equity Shareholders of our Company[(2)]	75,000	100	-	Bonus issue	Capitalisation of profits
May 22, 1999	Shareholders of Lasor Drugs Limited[(3)]	80,000	10	-	Scheme of amalgamation	Business structuring
June 15, 2001	Shareholders of Nucron Pharmaceuticals Limited, Lasor Laboratories Limited, Lasor Remedies Limited, Emcure Laboratories Private Limited, Hiralal Mehta Sales Private Limited[(4)]	967,498	10	-	Scheme of amalgamation	Business structuring
September 29, 2001	Equity Shareholders of our Company[(5)]	5,130,996	10	-	Bonus issue	Capitalisation of profits
June 1, 2006	Equity Shareholders of our Company[(6)]	17,887,500	10	-	Bonus issue	Capitalisation of profits
September 28, 2010	Blackstone GPV Capital	4,300,143	10	-	Conversion of optionally convertible redeemable	N.A.

Date of allotment	Names of allottees	Number of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature/Reason of allotment	Benefits accrued to our Company
	Partners Mauritius V-C Limited.				preference shares.	
March 22, 2016	Equity Shareholders of our Company(7)	1,356,39,087	10	-	Bonus issue	Capitalisation of profits

** Form 2's for certain past allotments of equity shares made by our Company could not be traced as the relevant information was not available in the records maintained by our Company, the Ministry of Corporate Affairs at the MCA Portal and the RoC. Accordingly, we have relied on the search report dated August 17, 2021 prepared by Manish Ghia & Associates, independent practicing company secretary, and certified by their certificate dated August 17, 2021 ("**RoC Search Report**"). For details of risks arising out of missing or untraceable past secretarial records of our Company, see "Risk Factors – Some of our corporate records relating to forms filed with the RoC are not traceable" on page 61.*

(1) Bonus issue in the ratio of one equity share of face value of ₹ 100 each for every one equity share of face value of ₹ 100 each authorised by our Shareholders through a resolution passed in the EGM dated January 24, 1994.

(2) Bonus issue in the ratio of one equity share of face value of ₹ 100 each for every one equity share of face value of ₹ 100 eachauthorised by our Shareholders through a resolution passed in the EGM dated March 18, 1994.

(3) Allotment made to the shareholders of Lasor Drugs Limited in the ratio 16:100 pursuant to a court order dated April 22, 1999 approving the scheme of amalgamation, as an allotment of 4,800 Equity Shares to Ramanlal Ambalal Mehta, 4,800 Equity Shares to Sushila Ramanlal Mehta, 8,000 Equity Shares to Satish Mehta, 3,200 Equity Shares to Namita Satish Mehta, 3,200 Equity Shares to Samit Satish Mehta, 8,000 Equity Shares to Bhavana Mehta, 4,800 Equity Shares to Rajanikant Hiralal Mehta, 4,800 Equity Shares to Pushpa Mehta, 5,600 Equity Shares to Sunil Mehta, 5,600 Equity Shares to Sanjay Mehta, 3,200 Equity Shares to Lasor Laboratories Ltd., 5,600 Equity Shares to Kamini Mehta, 4,000 Equity Shares to Satish Mehta jointly with Bhavana Mehta, 2,400 Equity Shares to Sanjay Mehta jointly with Sonali Mehta, 1,920 Equity Shares to Bhavana Mehta jointly with Satish Mehta, 2,400 Equity Shares to Sunil Mehta jointly with Kamini Mehta, 1,280 Equity Shares to Pushpa Mehta jointly with Rajanikant Hiralal Mehta, 800 Equity Shares to Ramanlal Ambalal Mehta jointly with Sushila Ramanlal Mehta, 5,600 Equity Shares to Sonali Mehta.

*(4) Allotment made pursuant to a court order dated March 7, 2001 approving the scheme of amalgamation in the following proportion: (i) for every 100 equity shares of ₹ 10 each of Nucron Pharmaceuticals Limited ("**NPL**"), 25 Equity Shares of our Company were allotted to the shareholders of NPL; (ii) for every 100 equity shares of ₹10 each of Lasor Laboratories Limited ("**LLL**"), 45 Equity Shares of our Company were allotted to the shareholders of LLL; (iii) for every 100 equity shares of ₹100 each of Lasor Remedies Limited ("**LRL**"), 550 Equity Shares of our Company were allotted to the shareholders of LRL; (iv) for every 100 equity shares of ₹100 each of Emcure Laboratories Private Limited ("**ELPL**"), 1,000 Equity shares of our Company were allotted to the shareholders of ELPL; and (v) for every 100 equity shares of ₹100 each of Hiralal Mehta Sales Private Limited ("**HMS**"), 150 Equity Shares of our Company were allotted to the shareholders of HMS, as an allotment of 10,650 Equity Shares to Ramanlal Ambalal Mehta (HUF), 69,500 Equity Shares to Sushila Mehta, 194,767 Equity Shares to Satish Mehta, 19,350 Equity Shares to Satish Ramanlal Mehta (HUF) Karta, 68,200 Equity Shares to Namita Mehta, 85,975 Equity Shares to Samit Mehta, 71,947 Equity Shares to Bhavana Mehta,25,850 Equity Shares to Hiralal Ambalal Mehta (HUF) 61,315 Equity Shares to Rajanikant Mehta, 25,350 Equity Shares to Rajanikant Hiralal Mehta (HUF), 37,075 Equity Shares to Pushpa Mehta, 45,722 Equity Shares to Sunil Mehta, 51,097 Equity Shares to Sanjay Mehta, 56,285 Equity Shares to Kamini Mehta, 1,075 Equity Share to Rutav Mehta jointly with Sunil Mehta, 4,025 Equity Shares to Kamini Mehta jointly with Sunil Mehta, 26,995 Equity Shares to Sonali Mehta, 6,750 Equity Shares to Ushaben Shah, 38,150 Equity Shares to Omni-Protech Drugs Limited., 20,500 Equity Shares to Ramanlal Mehta, 3,815 Equity Shares to Anvi Mehta (through Sunil Mehta), 4,750 Equity Shares to Rutav Mehta (through Sunil Mehta), 10,000 Equity Shares to Umakant Shah, 500 Equity Shares to Shirish Limaye, 300 Equity Shares to Vijay Kulkarni, 300 Equity Shares to TSR Moorty, 300 Equity Shares to SD Kannure, 16,725 Equity Shares to Sonali Mehta jointly with Sanjay Mehta, 700 Equity Shares to Anvi Mehta jointly with Sonali Mehta, 3,250 Equity Shares to Rajnikant Mehta jointly with Pushpa Mehta, 5,400 Equity Shares to Rutav Mehta jointly with Kamini Mehta, 880 Equity Shares to Sanjay Mehta (HUF).*

(5) Bonus issue in the ratio 2:1 authorised by our Shareholders through a resolution passed in the AGM dated August 31, 2000.

(6) Bonus issue in the ratio of three Equity Shares for every two Equity Shares authorised by our Shareholders through a resolution passed in the AGM dated May 27, 2006.

(7) Bonus issue in the ratio of three Equity Shares for every one Equity Share authorised by our Shareholders through a resolution passed in the EGM dated March 22, 2016.

3. Except as disclosed above, our Company has not issued or allotted any equity shares or preference shares pursuant to schemes of arrangement approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013, as applicable.

4. Our Company has not issued any Equity Shares or preference shares at a price that may be lower than the Offer Price during a period of one year preceding the date of this Draft Red Herring Prospectus.

5. **Shareholding pattern of our Company**

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up equity shares held (IV)	Number of partly paid-up equity shares held (V)	Number of shares underlying depository receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of voting rights held in each class of securities (IX)				Number of shares underlying outstanding convertible securities (including warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								Number of Voting Rights			Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class e.g.: Equity Shares	Class e.g.: Others	Total								
(A)	Promoters and Promoter Group	23	147,555,468	-	-	147,555,468	81.59%	147,555,468	-	147,555,468	81.59%	-	-	-	-	-	-	147,555,468
(B)	Public	23	33,296,648	-	-	33,296,648	18.41%	33,296,648	-	33,296,648	18.41%	-	-	-	-	-	-	33,296,648
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	46*	**180,852,116**	-	-	**180,852,116**	100%	**180,852,116**	-	**180,852,116**	100%	-	-	-	-	-	-	**180,852,116**

** Certain Equity Shares of the Company are under joint holding and the number of shareholders is calculated based on the number of folios as reflected in the list of beneficial owners.*

6. **Other details of shareholding of our Company**

a) As on the date of filing of this Draft Red Herring Prospectus (based on the number of folios), our Company has 46 Shareholders.

b) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company, on a fully diluted basis, as on the date of filing of this Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder	No. of Equity Shares of face value ₹10 each	Percentage of the pre-Offer Equity Share capital (%)
1.	Satish Mehta	75,816,748	41.92
2.	BC Investments IV Limited	23,673,544	13.09
3.	Sanjay Mehta[(1)]	15,764,028	8.72
4.	Samit Mehta	13,547,632	7.49
5.	Sunil Mehta[(2)]	11,085,012	6.13
6.	Bhavana Mehta[(3)]	9,388,288	5.19
7.	Kamini Mehta[(4)]	8,099,960	4.48
8.	Namita Thapar	6,339,800	3.51
9.	Pushpa Mehta	4,336,052	2.40
10.	Sonali Mehta[(5)]	3,671,040	2.02
TOTAL		**171,722,104**	**94.95**

(1) Includes joint holding of Sanjay Mehta with Sonali Mehta, Sanjay Mehta being the first holder.
(2) Includes joint holding of Sunil Mehta with Kamini Mehta, Sunil Mehta being the first holder.
(3) Includes joint holding of Bhavana Mehta with Satish Mehta, Bhavana Mehta being the first holder.
(4) Includes joint holding of Kamini Mehta with Sunil Mehta, Kamini Mehta being the first holder.
(5) Includes joint holding of Sonali Mehta with Sanjay Mehta, Sonali Mehta being the first holder.

c) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share Capital of our Company, on a fully diluted basis, as of 10 days prior to the date of filing of this Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder	No. of Equity Shares of face value ₹10 each	Percentage of Equity Share capital (%)
1.	Satish Mehta	75,816,748	41.92
2.	BC Investments IV Limited	23,673,544	13.09
3.	Sanjay Mehta[(1)]	15,764,028	8.72
4.	Samit Mehta	13,547,632	7.49
5.	Sunil Mehta[(2)]	11,085,012	6.13
6.	Bhavana Mehta[(3)]	9,388,288	5.19
7.	Kamini Mehta[(4)]	8,099,960	4.48
8.	Namita Thapar	6,339,800	3.51
9.	Pushpa Mehta	4,336,052	2.40
10.	Sonali Mehta[(5)]	3,671,040	2.02
Total		**171,722,104**	**94.95**

(1) Includes joint holding of Sanjay Mehta with Sonali Mehta, Sanjay Mehta being the first holder.
(2) Includes joint holding of Sunil Mehta with Kamini Mehta, Sunil Mehta being the first holder.
(3) Includes joint holding of Bhavana Mehta with Satish Mehta, Bhavana Mehta being the first holder
(4) Includes joint holding of Kamini Mehta with Sunil Mehta, Kamini Mehta being the first holder
(5) Includes joint holding of Sonali Mehta with Sanjay Mehta, Sonali Mehta being the first holder.

d) Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company, on a fully diluted basis, as of the date one year prior to the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	No. of Equity Shares of face value ₹10 each	Percentage of the Equity Share capital (%)
1.	Satish Mehta	75,749,248	41.88
2.	BC Investments IV Limited	23,673,544	13.09
3.	Sanjay Mehta[(1)]	15,764,028	8.72
4.	Samit Mehta	13,547,632	7.49
5.	Sunil Mehta[(2)]	11,085,012	6.13
6.	Bhavana Mehta[(3)]	9,388,288	5.19
7.	Kamini Mehta[(4)]	8,099,960	4.48
8.	Namita Thapar	6,339,800	3.51
9.	Pushpa Mehta	4,336,052	2.40
10.	Sonali Mehta[(5)]	3,671,040	2.02

Sr. No.	Name of the Shareholder	No. of Equity Shares of face value ₹10 each	Percentage of the Equity Share capital (%)
Total		**171,654,604**	**94.91**

(1) Includes joint holding of Sanjay Mehta with Sonali Mehta, Sanjay Mehta being the first holder.
(2) Includes joint holding of Sunil Mehta with Kamini Mehta, Sunil Mehta being the first holder.
(3) Includes joint holding of Bhavana Mehta with Satish Mehta, Bhavana Mehta being the first holder.
(4) Includes joint holding of Kamini Mehta with Sunil Mehta, Kamini Mehta being the first holder.
(5) Includes joint holding of Sonali Mehta with Sanjay Mehta, Sonali Mehta being the first holder.

e) Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company, on a fully diluted basis, as of the date two years prior to the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	No. of Equity Shares of face value ₹10 each	Percentage of the Equity Share capital (%)
1.	Satish Mehta	75,749,248	41.88
2.	BC Investments IV Limited	23,673,544	13.09
3.	Sanjay Mehta[(1)]	15,764,028	8.72
4.	Samit Mehta	13,547,632	7.49
5.	Sunil Mehta[(2)]	11,085,012	6.13
6.	Bhavana Mehta[(3)]	9,388,288	5.19
7.	Kamini Mehta[(4)]	8,099,960	4.48
8.	Namita Thapar	6,339,800	3.51
9.	Pushpa Mehta	4,336,052	2.40
10.	Sonali Mehta[(5)]	3,671,040	2.02
Total		**171,654,604**	**94.91**

(1) Includes joint holding of Sanjay Mehta with Sonali Mehta, Sanjay Mehta being the first holder.
(2) Includes joint holding of Sunil Mehta with Kamini Mehta, Sunil Mehta being the first holder.
(3) Includes joint holding of Bhavana Mehta with Satish Mehta, Bhavana Mehta being the first holder.
(4) Includes joint holding of Kamini Mehta with Sunil Mehta, Kamini Mehta being the first holder.
(5) Includes joint holding of Sonali Mehta with Sanjay Mehta, Sonali Mehta being the first holder.

7. **Details of Shareholding of our Promoters, members of the Promoter Group in our Company**

As on the date of this Draft Red Herring Prospectus, our Promoters hold 86,901,760 Equity Shares, equivalent to 48.05% of the issued, subscribed and paid-up equity share capital of our Company.

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

Satish Mehta*							
Date of allotment/ acquisition	**Nature of transaction**	**Number of equity shares**	**Nature of consideration**	**Face value per equity share (₹)**	**Issue/ transfer price per equity share (₹)**	**Percentage of the pre-Offer equity share capital (%)**	**Percentage of the post-Offer equity share capital (%)**
May 15, 1981	Initial subscription to MoA	10	Cash	100	100	Negligible	[●]
May 15, 1982**	Further allotment	200	Cash	100	100	Negligible	[●]
September 10, 1982**	Further allotment	50	Cash	100	100	Negligible	[●]
May 22, 1986**	Further allotment	1,490	Cash	100	100	Negligible	[●]
June 27, 1987**	Further allotment	20	Cash	100	100	Negligible	[●]
February 20, 1992[(1)#]	Purchased from Y.V. Suri	250	Cash	100	100	Negligible	[●]
January 24, 1994**	Bonus issue in the ratio of 1:1	1,770	N/A	100	-	Negligible	[●]
January 24,	Bonus issue in	250	N/A	100	-	Negligible	[●]

Satish Mehta*							
Date of allotment/ acquisition	**Nature of transaction**	**Number of equity shares**	**Nature of consideration**	**Face value per equity share (₹)**	**Issue/ transfer price per equity share (₹)**	**Percentage of the pre-Offer equity share capital (%)**	**Percentage of the post-Offer equity share capital (%)**
1994 [(1)**]	the ratio of 1:1						
February 22, 1994**	Further allotment	4,500	Cash	100	100	Negligible	[●]
March 18, 1994**	Bonus issue in the ratio of 1:1	8,040	N/A	100	-	Negligible	[●]
March 18, 1994 [(1)**]	Bonus issue in the ratio of 1:1	500	N/A	100	-	Negligible	[●]
March 18, 1994**	Sub-division of shares of face value from ₹100 each to ₹10 each	Sub-division of 16,080 equity shares into 160,800 equity shares	-	10	-	0.08	[●]
March 18, 1994[(1)] **	Sub-division of shares of face value from ₹100 each to ₹10 each	Sub-division of 1,000 equity shares into 10,000 equity shares	-	10	-	Negligible	[●]
April 5, 1995[#]	Purchased from Y.V. Suri	8,000	Cash	10	10	Negligible	[●]
June 24, 1996[#]	Purchased from Ramesh Shah	40	Cash	10	10	Negligible	[●]
April 3, 1997[#]	Purchased from Saumil Shah	40	Cash	10	10	Negligible	[●]
April 3, 1997 [#]	Purchased from Sushma Jasubhai Shah	40	Cash	10	10	Negligible	[●]
April 3, 1997[#]	Purchased from Manilal Jaswantlal Shah	40	Cash	10	10	Negligible	[●]
August 22, 1997[#]	Purchased from Emfin Investments Pvt. Ltd.	120	Cash	10	18	Negligible	[●]
May 22, 1999	Scheme of amalgamation with Lasor Drugs Limited	8,000	Other than cash	10	-	Negligible	[●]
May 22, 1999[(1)]	Scheme of amalgamation with Lasor Drugs Limited	4,000	Other than cash	10	-	Negligible	[●]
July 8, 2000[#]	Purchased from Rajiv Suri	3,180	Cash	10	100	Negligible	[●]
July 8, 2000[#]	Purchased from Samir Suri	180	Cash	10	100	Negligible	[●]
July 8, 2000[#]	Purchased from Suhas Popatlal Shah	2,000	Cash	10	10	Negligible	[●]
July 8,	Purchased from	1,160	Cash	10	10		[●]

Satish Mehta*							
Date of allotment/ acquisition	**Nature of transaction**	**Number of equity shares**	**Nature of consideration**	**Face value per equity share (₹)**	**Issue/ transfer price per equity share (₹)**	**Percentage of the pre-Offer equity share capital (%)**	**Percentage of the post-Offer equity share capital (%)**
2000[#]	Popatlal B Shah (HUF)					Negligible	
July 8, 2000[#]	Purchased from Piyush Popatlal Shah	15,200	Cash	10	10	0.01	[●]
July 8, 2000[#]	Purchased from Sandeep Popatlal Shah	6,000	Cash	10	10	Negligible	[●]
July 8, 2000[#]	Purchased from Kokilaben Popatlal Shah	2,000	Cash	10	10	Negligible	[●]
September 23, 2000[(1)#]	Transferred to Bhalchandra Kashinath Khare	(2,700)	Cash	10	10	(Negligible)	[●]
September 23, 2000[(1)#]	Transferred to Shreekant Bapat	(2,400)	Cash	10	10	(Negligible)	[●]
September 23, 2000[(1)#]	Transferred to Dilip Girdharlal Shah	(2,400)	Cash	10	10	(Negligible)	[●]
September 23, 2000[(1)#]	Transferred to Rustom Soonawala	(1,000)	Cash	10	10	(Negligible)	[●]
September 23, 2000[(1)#]	Transferred to Berjis Desai	(1,000)	Cash	10	10	(Negligible)	[●]
September 23, 2000[(1)#]	Transferred to Narinder K Sagar	(500)	Cash	10	10	(Negligible)	[●]
September 23, 2000[(1)#]	Transferred to Mahesh Nathalal Shah	(1,000)	Cash	10	10	(Negligible)	[●]
September 23, 2000[(1)#]	Transfer to Avinash Kamlakar Medhekar	(1,000)	Cash	10	10	(Negligible)	[●]
September 23, 2000[(1)#]	Transferred to Krishnaprasad Apparao Rao	(1,000)	Cash	10	10	(Negligible)	[●]
September 23, 2000[(1)#]	Transferred to Milind Madhav Lad	(500)	Cash	10	10	(Negligible)	[●]
September 23, 2000[(1)#]	Transferred to Bhupesh Dewan	(500)	Cash	10	10	(Negligible)	[●]
September 23, 2000[#]	Transferred to Ajit Brajkishorelal Mehta	(300)	Cash	10	10	(Negligible)	[●]
September 23, 2000[#]	Transferred to Anil B. Verma	(300)	Cash	10	10	(Negligible)	[●]
September 23, 2000[#]	Transferred to Manjusha Ambadas Joshi	(300)	Cash	10	10	(Negligible)	[●]
September 23, 2000[#]	Transferred to Yeshwant Jagannath Agte	(300)	Cash	10	10	(Negligible)	[●]
September	Transferred to	(300)	Cash	10	10	(Negligible)	[●]

Satish Mehta*							
Date of allotment/ acquisition	**Nature of transaction**	**Number of equity shares**	**Nature of consideration**	**Face value per equity share (₹)**	**Issue/ transfer price per equity share (₹)**	**Percentage of the pre-Offer equity share capital (%)**	**Percentage of the post-Offer equity share capital (%)**
23, 2000[#]	Uday Chandu Borde						
September 23, 2000[#]	Transferred to Vijay K. Dhody	(300)	Cash	10	10	(Negligible)	[●]
September 23, 2000[#]	Transferred to Keki Sorab Bhagalia	(300)	Cash	10	10	(Negligible)	[●]
September 23, 2000[#]	Transferred to Anoop Sood	(500)	Cash	10	10	(Negligible)	[●]
September 23, 2000[#]	Transferred to Mahinder N. Punwani	(500)	Cash	10	10	(Negligible)	[●]
September 23, 2000[#]	Transferred to Arunkumar Khanna	(7,500)	Cash	10	10	(Negligible)	[●]
September 23, 2000[#]	Transferred to Raju Pessumal Kalera	(500)	Cash	10	10	(Negligible)	[●]
December 4, 2000[#]	Purchased from Piyush Popatlal Shah	32,000	Cash	10	10	0.02	[●]
December 4, 2000[#]	Purchased from Sandeep Popatlal Shah	8,000	Cash	10	10	Negligible	[●]
December 4, 2000[#]	Purchased from Suhas Popatlal Shah	6,000	Cash	10	10	Negligible	[●]
December 4, 2000[#]	Purchased from Kokilaben Popatlal Shah	5,000	Cash	10	10	Negligible	[●]
December 4, 2000[#]	Purchased from Popatlal B Shah (HUF)	1,000	Cash	10	10	Negligible	[●]
January 3, 2001[#]	Transferred to Venkappa Marthandappa Agadi	(2,000)	Cash	10	10	(Negligible)	[●]
January 3, 2001[#]	Transferred to Humayun Dhanrajgir	(2,000)	Cash	10	10	(Negligible)	[●]
January 3, 2001[#]	Transferred to Mohan Ramchandra Gujar	(500)	Cash	10	10	(Negligible)	[●]
January 3, 2001[#]	Transmission from Ramanlal Mehta	136,800[#]	-	10	-	0.08	[●]
June 15, 2001	Transmission from Ramanlal Ambalal Mehta	20,500	-	10	-	0.01	[●]
June 15, 2001	Scheme of amalgamation of Emcure Laboratories Private Limited,	194,767	Other than cash	10	-	0.11	[●]

Satish Mehta*							
Date of allotment/ acquisition	**Nature of transaction**	**Number of equity shares**	**Nature of consideration**	**Face value per equity share (₹)**	**Issue/ transfer price per equity share (₹)**	**Percentage of the pre-Offer equity share capital (%)**	**Percentage of the post-Offer equity share capital (%)**
	Lazor Laboratories Limited, Lasor Remedies Limited, Nucron Pharmaceuticals Private Limited and Hiralal Mehta Sales Private Limited with Emcure Pharmaceuticals Limited						
June 15, 2001#	Transferred to Mukund Gurjar	(1,000)	Cash	10	10	(Negligible)	[●]
June 15, 2001#	Transferred to Arunkumar Khanna	(10,000)	Cash	10	10	(0.01)	[●]
June 15, 2001#	Transferred to Mahesh Nathalal Shah	(1,500)	Cash	10	10	(Negligible)	[●]
June 15, 2001#	Transferred to Avinash Kamlakar Medhekar	(2,000)	Cash	10	10	(Negligible)	[●]
June 15, 2001#	Transferred to Narinder K Sagar	(500)	Cash	10	10	(Negligible)	[●]
June 15, 2001#	Transferred to Anoop Sood	(500)	Cash	10	10	(Negligible)	[●]
June 15, 2001#	Transferred to Prahlad Babanrao Lande	(500)	Cash	10	10	(Negligible)	[●]
September 29, 2001	Bonus issue in the ratio of 2:1	1,158,534	N/A	10	-	0.64	[●]
May 11, 2002#	Purchased from Krishna Apparao Rao	3,000	Cash	10	10	Negligible	[●]
June 17, 2002#	Transferred to Arunkumar Khanna	(10,000)	Cash	10	10	(0.01)	[●]
June 17, 2002#	Transferred to Mahesh Nathalal Shah	(3,000)	Cash	10	10	(Negligible)	[●]
June 17, 2002#	Transferred to Avinash Medhekar	(3,000)	Cash	10	10	(Negligible)	[●]
June 17, 2002#	Transferred to Shreekant Bapat	(3,000)	Cash	10	10	(Negligible)	[●]
June 17, 2002#	Transferred to Berjis Desai	(3,000)	Cash	10	10	(Negligible)	[●]
June 17, 2002#	Transferred to Manjusha Joshi	(1,000)	Cash	10	10	(Negligible)	[●]

Satish Mehta*							
Date of allotment/ acquisition	**Nature of transaction**	**Number of equity shares**	**Nature of consideration**	**Face value per equity share (₹)**	**Issue/ transfer price per equity share (₹)**	**Percentage of the pre-Offer equity share capital (%)**	**Percentage of the post-Offer equity share capital (%)**
June 17, 2002[#]	Transferred to Mukund Ranade	(3,000)	Cash	10	10	(Negligible)	[●]
June 17, 2002[#]	Transferred to Dev Balaji	(900)	Cash	10	10	(Negligible)	[●]
June 17, 2002[#]	Transferred to Chaitanya Golikare	(500)	Cash	10	10	(Negligible)	[●]
June 17, 2002[#]	Transferred to Rajesh Nair	(500)	Cash	10	10	(Negligible)	[●]
June 17, 2002[#]	Transferred to Nishith Trivedi	(500)	Cash	10	10	(Negligible)	[●]
June 17, 2002[#]	Transferred to Dilip Deobagkar	(1,000)	Cash	10	10	(Negligible)	[●]
June 17, 2002[#]	Transferred to Ajay Bharadwaj	(5,000)	Cash	10	10	(Negligible)	[●]
June 17, 2002[#]	Transferred to Rakesh Bamzai	(5,000)	Cash	10	10	(Negligible)	[●]
May 10, 2003[#]	Purchased from Omni Protech Drugs Ltd.	20,660	Cash	10	50	0.01	[●]
October 21, 2003[#]	Purchased from Piyush Popatlal Shah	12,600	Cash	10	58	0.01	[●]
May 1, 2004[#]	Purchased from Vijay Dhody	900	Cash	10	10	Negligible	[●]
July 12, 2004[#]	Purchased from Bhupesh Jagdev Dewan	1,500	Cash	10	10	Negligible	[●]
July 12, 2004[#]	Purchased from Keki Sorab Bhagalia	900	Cash	10	10	Negligible	[●]
August 27, 2004	Rights issue	1,121,695	Cash	10	10	1.62	[●]
October 15, 2004[#]	Purchased from Shirish Limaye	1,500	Cash	10	10	Negligible	[●]
May 3, 2005 [#]	Purchased from Chaitanya Golikere	750	Cash	10	10	Negligible	[●]
May 3, 2005 [#]	Purchased from Girish Arora	2,000	Cash	10	10	Negligible	[●]
December 19, 2005[#]	Purchased from Nishith Jyotindra Trivedi	750	Cash	10	10	Negligible	[●]
December 19, 2005[#]	Purchased from Ajit Mehta	1,350	Cash	10	10	Negligible	[●]
June 1, 2006	Bonus issue in the ratio of 3:2	4,299,009	N/A	10	-	2.38	[●]
November 18, 2006[#]	Purchased from Ajay Premchand Bharadwaj	18,750	Cash	10	35	0.01	[●]
November 18, 2006[#]	Purchased from Rakesh	18,750	Cash	10	35	0.01	[●]

Satish Mehta*							
Date of allotment/ acquisition	**Nature of transaction**	**Number of equity shares**	**Nature of consideration**	**Face value per equity share (₹)**	**Issue/ transfer price per equity share (₹)**	**Percentage of the pre-Offer equity share capital (%)**	**Percentage of the post-Offer equity share capital (%)**
	Triloknath Bamzai						
May 22, 2007	Purchased from Mahinder Punwani	5,625	Cash	10	10	Negligible	[●]
January 18, 2008[#]	Purchased from Anoop Sood	11,250	Cash	10	90	0.01	[●]
January 18, 2008[#]	Purchased from Yeshwant Jagannath Agte	3,375	Cash	10	90	Negligible	[●]
January 18, 2008[#]	Purchased from TSR Moorthy	3,375	Cash	10	90	Negligible	[●]
January 18, 2008[#]	Purchased from Shivputra Dundappa Kannure	3,375	Cash	10	90	Negligible	[●]
January 18, 2008[#]	Purchased from Prahlad Babanrao Lande	5,625	Cash	10	90	Negligible	[●]
April 21, 2008[#]	Purchased from Ramanlal Ambalal Mehta (HUF)	649,275	Cash	10	10	0.36	[●]
April 21, 2008[#]	Transfer by way of partition of Satish Mehta HUF	827,437	-	10	-	0.46	[●]
April 21, 2008	Purchased from Piyush Popatlal Shah	16,200	Cash	10	90	0.01	[●]
April 21, 2008	Purchased from Suhas Popatlal Shah	10,800	Cash	10	90	0.01	[●]
April 21, 2008	Purchased from Anil Verma	3,375	Cash	10	90	Negligible	[●]
April 21, 2008	Purchased from Manjusha Ambadas Joshi	13,125	Cash	10	38.09	0.01	[●]
April 21, 2008	Purchased from Mohan Ramchandra Gujar jointly with Leela Mohan Gujar	5,625	Cash	10	90	Negligible	[●]
April 21, 2008	Purchased from Sainath Iyer	3,000	Cash	10	10[#]	Negligible	[●]
April 21, 2008	Purchased from Guorango Premendranath Mukherji	6,000	Cash	10	10	Negligible	[●]
July 21, 2008	Purchased from Milind Gharpure	15,000	Cash	10	10	0.01	[●]
July 21, 2008	Transmission from Sushila Ramnlal Mehta	605,550	-	10	-	0.33	[●]

Satish Mehta*							
Date of allotment/ acquisition	**Nature of transaction**	**Number of equity shares**	**Nature of consideration**	**Face value per equity share (₹)**	**Issue/ transfer price per equity share (₹)**	**Percentage of the pre-Offer equity share capital (%)**	**Percentage of the post-Offer equity share capital (%)**
June 1, 2009[#]	Purchased from Rajesh Nair	1,875	Cash	10	10	Negligible	[●]
March 25, 2013	Purchased from Joseph Rener	125,000	Cash	10	554.40	0.07	[●]
March 25, 2013	Purchased from Nilesh Patel	45,000	Cash	10	563.75	0.02	[●]
April 19, 2013	Rights issue	8,063,535	Cash	10	10	4.46	[●]
May 20, 2014	Purchased from Arunkumar Khanna	100,000	Cash	10	800	0.06	[●]
September 3, 2014	Purchased from Sanjay Singh jointly with Kavita Singh	96,429	Cash	10	810	0.05	[●]
September 3, 2014	Purchased from Uday Borde	4,339	Cash	10	810	Negligible	[●]
September 3, 2014	Purchased from Marvin Samson	85,000	Cash	10	907.77	0.05	[●]
September 3, 2014	Purchased from Narinder K Sagar	28,929	Cash	10	810	0.02	[●]
October 20, 2014	Purchased from Fakrul Sayeed	32,000	Cash	10	919.64	0.02	[●]
January 23, 2015	Purchased from Arunkumar Khanna	42,857	Cash	10	800	0.02	[●]
January 23, 2015	Purchased from Jitendra Vir Singh	241,071	Cash	10	951.13	0.13	[●]
July 17, 2015	Purchased from Mahendra Patel	250,000	Cash	10	958.11	0.14	[●]
July 17, 2015	Purchased from Mahendra Patel	71,429	Cash	10	958.20	0.04	[●]
October 27, 2015	Purchased from Marvin Samson	172,143	Cash	10	957.18	0.10	[●]
November 9, 2015	Purchased from Arunkumar Khanna	8,000	Cash	10	1,000	Negligible	[●]
November 9, 2015	Purchased from Fakrul Sayeed	32,286	Cash	10	985.34	0.02	[●]
March 22, 2016	Bonus issue in the ratio of 3:1	56,371,260	N/A	10	-	31.17	[●]
August 12, 2016	Purchased from Mahesh Shah	260,000	Cash	10	250	0.14	[●]
March 24, 2017	Purchased from Padmini Khare Kaicker	142,606	Cash	10	250	0.08	[●]
March 24, 2017	Purchased from Chandrashekhar Khare	142,606	Cash	10	250	0.08	[●]
August 24, 2017	Purchased from Vijay Kulkarni	17,356	Cash	10	300	0.01	[●]
May 6, 2019	Purchased from Shreekant Bapat	25,000	Cash	10	325	0.01	[●]

Satish Mehta*							
Date of allotment/ acquisition	**Nature of transaction**	**Number of equity shares**	**Nature of consideration**	**Face value per equity share (₹)**	**Issue/ transfer price per equity share (₹)**	**Percentage of the pre-Offer equity share capital (%)**	**Percentage of the post-Offer equity share capital (%)**
	jointly with Alaka Shreekant Bapat						
November 19, 2020	Purchased from Raju Kalera	28,928	Cash	10	518.5	0.02	[●]
July 22, 2021	Purchased from Chandrakant Vittal Shetty	38,572	Cash	10	862.09	0.02	[●]
Total		**75,816,748**				**41.92**	[●]

(1) Equity Shares held jointly by Satish Mehta and Bhavana Mehta, Satish Mehta being the first holder.

** The build-up of the equity shareholding of Satish Mehta excludes the equity shares jointly held by Satish Mehta, where Satish Mehta is the second holder.*

*** Form 2's for certain past allotments of equity shares made by our Company could not be traced as the relevant information was not available in the records maintained by our Company, the Ministry of Corporate Affairs at the MCA Portal and the RoC. Accordingly, we have relied on the search report dated August 17, 2021 prepared by Manish Ghia & Associates, independent practicing company secretary, and certified by their certificate dated August 17, 2021 ("**RoC Search Report**"). For details of risks arising out of missing or untraceable past secretarial records of our Company, see "Risk Factors – Some of our corporate records relating to forms filed with the RoC are not traceable" on page 61.*

#Share transfer forms for certain past transfers could not be traced, or we do not possess the share transfer forms indicating the consideration involved. Accordingly, we have relied on other available corporate records, including statutory registers, Board/committee resolutions, annual returns, and bank account statements of Satish Mehta in order to trace such transfers. Further, for certain transmissions, we have relied on the will of deceased shareholder and register of members for the number of shares transmitted, where the application form for transmission of equity shares or other records are untraceable. For details of risks arising out of missing or untraceable past secretarial records of our Company, see "Risk Factors - Some of our corporate records relating to forms filed with the RoC are not traceable" on page 61.

Sunil Mehta*							
Date of allotment/ acquisition	**Nature of transaction**	**Number of Equity Shares**	**Nature of Consideration**	**Face value per Equity Share (₹)**	**Issue/ transfer price per Equity Share (₹)**	**Percentage of the pre-Offer Equity share capital (%)**	**Percentage of the post-Offer Equity share capital (%)**
May 15, 1982**	Further allotment	31	Cash	100	100	Negligible	[●]
September 10, 1982 **	Further allotment	20	Cash	100	100	Negligible	[●]
May 22, 1986**	Further allotment	150	Cash	100	100	Negligible	[●]
June 27, 1987**	Further allotment	20	Cash	100	100	Negligible	[●]
December 11, 1990	Transmission from Leelawati H. Mehta	186	-	100	-	Negligible	[●]
January 24, 1994**	Bonus issue in the ratio of 1:1	407	N/A	100	-	Negligible	[●]
March 18, 1994**	Bonus issue in the ratio of 1:1	814	N/A	100	-	Negligible	[●]
March 18, 1994**	Sub-division of shares of face value from ₹100 each to ₹10 each	Sub division of 1,628 equity shares into 16,280 equity shares	-	10	-	0.01	[●]
April 5, 1995#	Purchased from Y.V. Suri	4,000	Cash	10	10	Negligible	[●]
June 24,	Purchased from	40	Cash	10	10	Negligible	[●]

Sunil Mehta*							
Date of allotment/ acquisition	**Nature of transaction**	**Number of Equity Shares**	**Nature of Consideration**	**Face value per Equity Share (₹)**	**Issue/ transfer price per Equity Share (₹)**	**Percentage of the pre-Offer Equity share capital (%)**	**Percentage of the post-Offer Equity share capital (%)**
1996[#]	Paresh Naresh Patel						
May 22, 1999[(1)]	Scheme of amalgamation of Lasor Drugs Limited	2,400	Other than cash	10	-	Negligible	[●]
May 22, 1999	Scheme of amalgamation of Lasor Drugs Limited	5,600	Other than cash	10	-	Negligible	[●]
June 15, 2001	Scheme of amalgamation of Emcure Laboratories Private Limited, Lazor Laboratories Limited, Lasor Remedies Limited, Nucron Pharmaceuticals Private Limited and Hiralal Mehta Sales Private Limited with Emcure Pharmaceuticals Limited	45,722	Other than cash	10	-	0.03	[●]
September 29, 2001	Bonus issue in the ratio of 2:1	143,284	N/A	10	-	0.08	[●]
September 29, 2001[(1)]	Bonus issue in the ratio of 2:1	4,800	N/A	10	-	Negligible	[●]
October 21, 2003[(1) #]	Purchased from Piyush Shah	8,400	Cash	10	58	Negligible	[●]
August 27, 2004	Rights issue	307,469	Cash	10	10	0.17	[●]
August 27, 2004[(1)]	Rights issue	7,800	Cash	10	10	Negligible	[●]
June 1, 2006	Bonus issue in the ratio of 3:2	783,592	N/A	10	-	0.43	[●]
June 1, 2006[(1)]	Bonus issue in the ratio of 3:2	35,100	N/A	10	-	0.02	[●]
July 7, 2006[(1)]	Transmission from Rajanikant Hiralal Mehta	620,793[#]	-	10	-	0.34	[●]
July 7, 2006[(1)]	Transmission from Rajanikant Hiralal Mehta	12,188[#]	-	10	-	0.01	[●]
November 18, 2006[(1) #]	Purchased from Piyush Shah	16,500	Cash	10	10	0.01	[●]
April 21, 2008[#]	Purchased from Hiralal Ambalal	202,488	Cash	10	10	0.11	[●]

Sunil Mehta*							
Date of allotment/ acquisition	**Nature of transaction**	**Number of Equity Shares**	**Nature of Consideration**	**Face value per Equity Share (₹)**	**Issue/ transfer price per Equity Share (₹)**	**Percentage of the pre-Offer Equity share capital (%)**	**Percentage of the post-Offer Equity share capital (%)**
	Mehta (HUF)						
April 21, 2008[#]	Transfer by way of partition of Rajanikant Hiralal Mehta (HUF)	399,837	Cash	10	-	0.22	[●]
January 23, 2015 [(1)]	Purchased from Avinash Medhekar	26,250	Cash	10	850	0.01	[●]
January 23, 2015[(1)]	Purchased from Humayun Dhanrajgir jointly with Jini Dhanrajgir	11,250	Cash	10	810	0.01	[●]
March 13, 2015 [(1)]	Purchased from Mukund Ranade	12,837	Cash	10	810	0.01	[●]
May 16, 2015[(1)]	Purchased from Shreekant Bapat jointly with Alaka Bapat	15,650	Cash	10	900	0.01	[●]
June 23, 2015[(1)]	Purchased from Manjiree Ranade	10,535	Cash	10	900	0.01	[●]
September 23, 2015 [(1)]	Purchased from Mohit Ranade	5,600	Cash	10	900	Negligible	[●]
September 23, 2015 [(1)]	Purchased from Madhuree Kanetkar	5,600	Cash	10	900	Negligible	[●]
September 23, 2015 [(1)]	Purchased from Manjiree Ranade	7,238	Cash	10	900	Negligible	[●]
November 9, 2015[(1)]	Purchased from Arunkumar Khanna	60,000	Cash	10	1,000	0.03	[●]
March 22, 2016	Bonus issue in the ratio of 3:1	5,724,936	N/A	10	-	3.17	[●]
March 22, 2016[(1)]	Bonus issue in the ratio of 3:1	2,588,823	N/A	10	-	1.43	[●]
Total		**11,085,012**				**6.13**	[●]

(1) Includes Equity Shares held jointly by Sunil Mehta and Kamini Mehta, Sunil Mehta being the first holder.

** The build-up of the equity shareholding of Sunil Mehta excludes the equity shares jointly held by Sunil Mehta, where Sunil Mehta is the second holder.*

*** Form 2's for certain past allotments of equity shares made by our Company could not be traced as the relevant information was not available in the records maintained by our Company, the Ministry of Corporate Affairs at the MCA Portal and the RoC. Accordingly, we have relied on the search report dated August 17, 2021 prepared by Manish Ghia & Associates, independent practicing company secretary, and certified by their certificate dated August 17, 2021 ("**RoC Search Report**"). For details of risks arising out of missing or untraceable past secretarial records of our Company, see "Risk Factors – Some of our corporate records relating to forms filed with the RoC are not traceable" on page 61.*

[#]Share transfer forms for certain past transfers could not be traced, or we do not possess the share transfer forms indicating the consideration involved. Accordingly, we have relied on other available corporate records, including statutory registers, Board/committee resolutions, annual returns, and bank account statements of Sunil Mehta in order to trace such transfers. Further, for certain transmissions, we have relied on the will of deceased shareholder and register of members for the number of shares transmitted, where the application form for transmission of equity shares or other records are untraceable. For details of risks arising out of missing or untraceable past secretarial records of our Company, see "Risk Factors - Some of our corporate records relating to forms filed with the RoC are not traceable" on page 61.

The details of the shareholding of our Promoters, as on the date of the Draft Red Herring Prospectus, are set forth in

the table below:

Sr. No.	Name of the Shareholder	No. of Equity Shares of face value ₹10 each	Percentage of the pre-Offer Equity Share Capital (%)	Percentage of the post-Offer Equity Share Capital (%)
1.	Satish Mehta	75,816,748	41.92	[●]
2.	Sunil Mehta[(*)]	11,085,012	6.13	[●]

***** *Includes Equity Shares held jointly by Sunil Mehta and Kamini Mehta, Sunil Mehta being the first holder.*

The entire shareholding of our Promoters is in dematerialised form as of the date of this Draft Red Herring Prospectus.

Except as disclosed below, the members of the Promoter Group (other than our Promoters) do not hold any Equity Shares as on the date of filing of this Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder*	No. of Equity Shares	Percentage of the pre-Offer equity share capital (%)
1.	Sanjay Mehta[(1)]	15,764,028	8.72
2.	Samit Mehta	13,547,632	7.49
3.	Bhavana Mehta[(2)]	9,388,288	5.19
4.	Namita Thapar	6,339,800	3.51
5.	Kamini Mehta[(3)]	8,099,960	4.48
6.	Pushpa Mehta	4,336,052	2.40
7.	Rutav Mehta[(4)]	1,098,224	0.61
8.	Niraj Mehta[(5)]	1,100,000	0.61
9.	Shaila Gujar	129,216	0.07
10.	Surekha Shah	318,216	0.18
11.	Suhasinee Shah[(6)]	129,216	0.07
12.	Smita Paresh Shah	129,216	0.07
13.	Swati Shah[(7)]	129,216	0.07
14.	Girish Desai	115,716	0.06
15.	Ranjanakumari Desai	28,928	0.02
Total		**60,653,708**	**33.55**

(1) Includes joint holding of Sanjay Mehta with Sonali Mehta, Sanjay Mehta being the first holder
(2) Includes joint holding of Bhavana Mehta with Satish Mehta, Bhavana Mehta being the first holder.
(3) Includes joint holding of Kamini Mehta with Sunil Mehta, Kamini Mehta being the first holder.
(4) Includes joint holding of Rutav Mehta with Sunil Mehta & Rutav Mehta with Kamini Mehta, Rutav Mehta being the first holder.
(5) Entire 1,100,000 Equity Shares jointly held by Niraj Mehta with Sunil Mehta, Niraj Mehta being the first holder
(6) Entire 129,216 Equity Shares jointly held by Suhasinee Shah with Saumil Shah, Suhasinee Shah being the first holder.
(7) Entire 129,216 Equity Shares jointly held by Swati Shah with Hetal Shah, Swati Shah being the first holder.
** 115,716 Equity Shares are jointly held by Jaydeep Desai with Shobhna Desai, Shobhna Desai being the second holder.*

8. **Details of Promoter's contribution and lock-in**

a) Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the post-Offer Equity Share capital, assuming exercise of all vested options of our Company as on the date of this Draft Red Herring Prospectus, except for the Equity Shares offered pursuant to the Offer for Sale, shall be locked in for a period of eighteen months from the date of Allotment as minimum Promoter's contribution ("**Minimum Promoter's Contribution**") and the shareholding of the Promoters in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of six months from the date of Allotment.

b) Details of the Equity Shares to be locked-in for eighteen months from the date of Allotment as Minimum Promoter's Contribution are set forth in the table below*****:

Name of Promoter	Number of Equity Shares locked-in	Date of allotment of Equity Shares and when made fully paid-up	Nature of transaction	Face value per Equity Share (₹)	Issue/ Acquisition price per Equity Share (₹)	Percentage of the pre- Offer paid-up capital (%)	Percentage of the post-Offer paid-up capital (%)
[●]	**[●]**	**[●]**	**[●]**	**[●]**	**[●]**	**[●]**	**[●]**

Name of Promoter	Number of Equity Shares locked-in	Date of allotment of Equity Shares and when made fully paid-up	Nature of transaction	Face value per Equity Share (₹)	Issue/ Acquisition price per Equity Share (₹)	Percentage of the pre- Offer paid-up capital (%)	Percentage of the post-Offer paid-up capital (%)
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
	[●]	[●]	[●]	[●]	[●]		
Total	[●]				[●]	[●]	[●]

**To be included in the Prospectus.*

c) Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoter's contribution in terms of Regulation 15 of the SEBI ICDR Regulations. For details of the build-up of the share capital held by our Promoter, see *"- Details of Shareholding of our Promoters, members of the Promoter Group in our Company*" on page 109.

d) In this connection, please note that:

(i) The Equity Shares offered for Minimum Promoter's Contribution do not include (i) Equity Shares acquired in the three immediately preceding years for consideration other than cash and out of revaluation of assets or capitalisation of intangible assets, (ii) Equity Shares resulting from bonus issue by utilization of revaluation reserves or unrealised profits of our Company or bonus shares issued against Equity Shares, which are otherwise ineligible for computation of Minimum Promoter's Contribution;

(ii) The Minimum Promoter's Contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;

(iii) Our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm; and

(iv) The Equity Shares offered for Minimum Promoter's Contribution are not subject to any pledge or any other encumbrance.

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

Unless provided otherwise under applicable law, pursuant to the SEBI ICDR Regulations, the entire pre-Offer capital of our Company (including those Equity Shares held by our Promoters in excess of the Minimum Promoter's Contribution) shall be locked-in for a period of six months from the date of Allotment or such other minimum lock-in period as may be prescribed under the SEBI ICDR Regulations, except for the Equity Shares sold pursuant to the Offer for Sale or as permitted under the SEBI ICDR Regulations. Further, any unsubscribed portion of the Offered Shares will also be locked in, as required under the SEBI ICDR Regulations.

10. **Lock-in of Equity Shares Allotted to Anchor Investors**

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

11. **Recording on non-transferability of Equity Shares locked-in**

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.

12. **Other requirements in respect of lock-in**

Pursuant to Regulation 21 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in, as mentioned above, may be pledged as collateral security for a loan granted by a scheduled commercial bank, a public financial institution, NBFC-SI or a housing finance company, subject to the following:

(i) With respect to the Equity Shares locked-in for six months from the date of Allotment, such pledge of the

Equity Shares must be one of the terms of the sanction of the loan; and

(ii) with respect to the Equity Shares locked-in as Promoter's Contribution for eighteen months from the date of Allotment, the loan must have been granted to our Company for the purpose of financing one or more of the objects of the Offer, which is not applicable in the context of this Offer.

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, Equity Shares held by our Promoters and locked-in in terms of Regulation 16 of the SEBI ICDR Regulations, may be transferred to any member of our Promoter Group or a new promoter, subject to continuation of lock-in, in the hands of such transferee, for the remaining period and compliance with provisions of the Takeover Regulations, as applicable.

Our Promoters have agreed not to transfer, create any pledge or any other type of encumbrance on the Promoter's contribution from the date of filing this Draft Red Herring Prospectus, until the expiry of the lock-in specified above, or for such other time as required under the SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

Further, in terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by persons prior to the Offer and locked-in for a period of six months, may be transferred to any other person holding Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock-in in the hands of such transferee for the remaining period and compliance with the applicable provisions of the Takeover Regulations, as applicable.

13. Our Company, pursuant to a resolution passed by our remuneration committee and Board on June 5, 2013 and the resolution passed by our Shareholders on June 14, 2013, adopted "**Emcure ESOS 2013**" to reward the employees for their performance and to motivate them to contribute to the growth and profitability of our Company. Emcure ESOS 2013 is established with effect from June 14, 2013 and shall continue to be in force until (i) its termination by the Board/ Nomination and Remuneration Committee; or (ii) the date on which all of the options available for grant under the Emcure ESOS 2013 have been granted and exercised. Emcure ESOS 2013 was first amended by the Board pursuant to the resolution passed at its meeting held on July 31, 2015 and by the Shareholders pursuant to special resolution passed at the extra-ordinary general meeting of our Company held on September 14, 2015. The aggregate number of Equity Shares issued under Emcure ESOS 2013, upon exercise, shall not exceed 2,260,651 Equity Shares. The number of Equity Shares in the Emcure ESOS 2013 may exceed 2,260,651 Shares, subject to prior approval from the Shareholders, however will not exceed 5% of the paid-up Equity Share capital on such date of Shareholders' approval. Emcure ESOS 2013 was further amended by the Board pursuant to the resolution passed at its meeting held on July 27, 2021 and by the Shareholders pursuant to special resolution passed at the annual general meeting of the Company held on July 30, 2021. Emcure ESOS 2013 has been framed in compliance with the SEBI SBEB Regulations. Our Company undertakes to modify the Emcure ESOS 2013 to comply with the SBEB Regulations 2021, as applicable, prior to filing of the Red Herring Prospectus with RoC. The details of Emcure ESOS 2013, are as follows:

Particulars	**From April 1, 2021 to the date of filing of this DRHP**	**Financial Year 2021**	**Financial Year 2020**	**Financial Year 2019**
Total options outstanding as at the beginning of the period	1,595,000	3,640,000	2,930,000	2,280,000
Options granted	340,000	220,000	1,150,000	1,310,000
Exercise Price of options in Rupees (as on the date of grant options)	918.25	620.00	522.00 ~ 580.00	522.00
Options vested and not exercised	-	-	-	-
Options exercised	-	-	-	-
The total number of Equity Shares arising as a result of exercise of options	-	-	-	-
Options forfeited/ lapsed/ cancelled				

Particulars	From April 1, 2021 to the date of filing of this DRHP	Financial Year 2021	Financial Year 2020	Financial Year 2019
	100,000	2,265,000	440,000	660,000
Variation of terms of options	None	None	None	None
Money realized by exercise of options	-	-	-	-
Total number of options outstanding in force	1,835,000	1,595,000	3,640,000	2,930,000
Total options vested (excluding the options that have been exercised and net of options forfeited/ lapsed/ cancelled)	1,048,994	962,997	1,504,000	1,468,000
Total number of Equity Shares arising as a result of exercise of granted options (including options that have been exercised)	1,835,000	1,595,000	3,640,000	2,930,000
Employee-wise detail of options granted to:				
i. Key managerial personnel	B Renganathan - 40,000	Nil	Tajuddin Shaikh - 40,000 Vikas Thapar - 90,000 Deepak Gondaliya - 40,000	Nil
ii. Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Balinder Sidhu - 30,000 Chetan Gupta - 30,000 Hemant Verma - 20,000 Kristen Pigden - 30,000 Mario Di Majo - 30,000 Nitin Dashputre - 20,000 Rohit Pant - 20,000 Sachin Kaushik - 20,000 Srini Komandur - 30,000 Sudheer Paladugu - 40,000	Abhijeet Shah - 15,000 Abhijit Roychowdhury - 15,000 Ashish Shringi - 15,000 Gaurav Pancholia - 15,000 Gaurav Sinha - 30,000 Hitendra Singh - 20,000 Jayant Tilekar - 15,000 Piyush Nahar - 40,000 Pratin Vete - 40,000 Uday Potdar - 15,000	Bernadette Attinger - 60,000 George Svokos - 120,000 Jamie Berlanska - 75,000 Jimmy Wang - 90,000 Marvin Samson - 360,000 Massimo Berzigotti - 105,000 Shannon Johnston - 60,000	Frank Katona - 240,000 Gary Ruckelshaus - 60,000 John Denman - 240,000 Marc Hourigan - 90,000 Steven Hagen - 120,000 William Marth - 480,000
iii. Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Nil	Nil	Nil	Nil
Diluted Earnings per Equity Share – (face value of Rs. 10 per Equity Share) pursuant to issue of Equity Shares on exercise of options calculated in accordance with the IND AS 33 for 'Earnings per Share'	NA	21.68	4.62	10.47

Particulars	From April 1, 2021 to the date of filing of this DRHP	Financial Year 2021	Financial Year 2020	Financial Year 2019
Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference, if any, between employee compensation cost so computed and the employee compensation calculated on the basis of fair value of the stock options and the impact of this difference, on the profits of the Company and on the earnings per share of the Company	Nil	Nil	Nil	Nil
Method and significant assumptions used during the year to estimate the fair values of options at the time of grant of the option are:				
Method of valuation	Estimates considered in the interim period are same as those considered during the audited Fiscal Year 2021	Black Scholes Merton Model	Black Scholes Merton Model	Black Scholes Merton Model
Expected price volatility of the company`s shares		33.93% ~ 34.21%	29.7% ~ 30.3%	30.02% ~ 30.28%
Expected dividend yield		1.00%	1.00%	1.00%
Risk free interest rate		3.92% ~ 4.32%	6.18% ~ 6.84%	7.13% ~ 7.67%
Expected life of options		3.14 ~ 3.08	2.60 ~ 3.53	2.51 ~ 3.27
Impact on profit and Earnings per Equity Share – (face value Rs. 10 per Equity Share) of the last three years if the accounting policies prescribed in the SEBI SBEB Regulations had been followed in respect of options granted in the last three years	Not Applicable as Company has followed similar accounting policies, as mentioned in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014			
Intention of the KMPs and whole time directors who are holders of Equity Shares allotted on exercise of options granted to sell their equity shares within three months after the date of listing of Equity Shares pursuant to the Offer	Our Key Managerial Personnel may sell some Equity Shares allotted on the exercise of their options post-listing of the Equity Shares of our Company.			
Intention to sell Equity Shares arising out of an employee stock option scheme within three months after the listing of Equity Shares, by Directors, senior management personnel and employees having Equity Shares arising out of an employee stock option scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	N.A.	N.A.	N.A.	N.A.

14. Except for the issue of any Equity Shares pursuant to exercise of options granted under Emcure ESOS 2013, 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 by way of 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 Equity Shares, or on a rights basis, or by way of further public issue of Equity Shares, or otherwise.

15. Except as disclosed in this Draft Red Herring Prospectus under "*Capital Structure – Details of Shareholding of our Promoters, members of the Promoter Group in our Company*" on page 109, none of the members of the Promoter Group, our Promoters, and / or our Directors and their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

16. There have been no financing arrangements whereby our Promoter, members of the Promoter Group, and / or 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 this Draft Red Herring Prospectus.

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

18. As on the date of this Draft Red Herring Prospectus, the Managers, and their respective associates, as defined under the SEBI Merchant Bankers Regulations, do not hold any Equity Shares. The Managers and their associates 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.

19. Our Company shall ensure that any transaction in the Equity Shares by the Promoters and the members of the Promoter Group during the period between the date of filing of this Draft Red Herring Prospectus and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of such transaction.

20. Our Company, the Promoter, our Directors and the Managers have no existing buy-back arrangements or any other similar arrangements for the purchase of Equity Shares being offered through the Offer.

21. Except the options granted pursuant to the Emcure ESOS 2013, 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.

22. The Offer is being made through the Book Building Process in terms of 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 QIBs, provided that our Company in consultation with the Selling Shareholders and the Managers, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, out of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. 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, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis 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. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them at or above the Offer Price (net of Employee Discount, if any, as applicable for the Employee Reservation Portion). All potential Bidders (except Anchor Investors) are mandatorily required to utilise the ASBA process providing details of their respective ASBA accounts and UPI ID in case of RIBs using the UPI Mechanism, as applicable, pursuant to which their corresponding Bid Amount will be blocked by SCSBs) or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA Process. For further details, see "*Offer Procedure*" on page 417.

23. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

24. Any oversubscription to the extent of 1% of the Offer size can be retained for the purposes of rounding off to the nearest multiple of minimum allotment lot while finalizing the Basis of Allotment.

25. Our Promoters and the members of our Promoter Group will not participate in the Offer, except to the extent of the sale of Offered Shares by way of Offer for Sale.

26. No person connected with the Offer, including, but not limited to, the Managers, the members of the Syndicate, our Company, our Directors, our Promoter, members of our Promoter Group or Group Companies, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.

27. Neither the (i) Managers or any associate of the Managers (other than mutual funds sponsored entities which are

associates of the Managers or insurance companies promoted by entities which are associates of the Managers or AIFs sponsored by the entities which are associates of the Managers or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the Managers); nor (ii) any person related to the Promoters or Promoter Group can apply under the Anchor Investor Portion.

28. Except for the issue of any Equity Shares pursuant to exercise of options granted under Emcure ESOS 2013 and the Pre-IPO Placement, 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 this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges, or all application monies have been refunded, as the case may be.

29. Except as disclosed under "*Capital Structure - Notes to Capital Structure*" on page 101, our Company has not undertaken any public issue of securities or any rights issue of any kind or class of securities since its incorporation.

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

OBJECTS OF THE OFFER

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

Offer for Sale

The Selling Shareholders will be entitled to the proceeds from the Offer for Sale. Our Company will not receive any proceeds from the Offer for Sale.

Objects of the Fresh Issue

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

1. Prepayment or scheduled repayment of all or a portion of certain outstanding borrowings availed by our Company; and

2. General corporate purposes.

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association enable us (i) to undertake our existing business activities; and (ii) to undertake the activities proposed to be funded from the Net Proceeds. Further, our Company expects to receive the benefits of listing of the Equity Shares, including to enhance our visibility and our brand image among our existing and potential customers and to create a public market for our Equity Shares in India.

Net Proceeds

The details of the Net Proceeds are summarised in the following table:

(in ₹ million)

Particulars	Estimated amount^
Gross Proceeds[(1)]	11,000
(Less) Offer related expenses	[●]
Net Proceeds	[●]

[(1)] To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with RoC.
^ Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. Upon allotment of Equity Shares issued pursuant to the Pre-IPO Placement, we may utilise the proceeds from such Pre-IPO Placement towards the Objects of the Offer prior to completion of the Offer.

Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised in accordance with the details provided in the following table:

(in ₹ million)

Particulars	Amount^
Prepayment or scheduled repayment of all or a portion of certain outstanding borrowings availed by our Company	9,475.81
General corporate purposes[(1)]	[●]
Total	[●]

[(1)] To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.
^ Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. Upon allotment of Equity Shares issued pursuant to the Pre-IPO Placement, we may utilise the proceeds from such Pre-IPO Placement towards the Objects of the Offer prior to completion of the Offer.

Proposed Schedule of Implementation and Deployment of Net Proceeds

The following table sets forth the details of the schedule of the expected deployment of the Net Proceeds:

(₹ in million)

Particulars	Amount to be funded from the Net Proceeds	Estimated deployment	
		Fiscal 2022	Fiscal 2023
Prepayment or repayment of all or a portion of certain outstanding	9,475.81	9,475.81	-

Particulars	Amount to be funded from the Net Proceeds	Estimated deployment	
		Fiscal 2022	Fiscal 2023
borrowings availed by our Company			
General corporate purposes[(1)]	[●]	[●]	[●]
Total	[●]	[●]	[●]

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

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as indicated above are based on our current business plan and circumstances, management estimates, prevailing market conditions and other commercial and technical factors, which are subject to change from time to time. These fund requirements have not been verified by the Managers or appraised by any bank, financial institution or any other external agency. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition, interest or exchange rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to applicable law.

In the event of any shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to availability and compliance with applicable laws. Further, in case of a shortfall in the Net Proceeds, our management may explore a range of options including utilising our internal accruals or seeking additional equity and / or debt arrangements from existing and future lenders. If the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used for (i) general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds in accordance with the SEBI ICDR Regulations; or (ii) towards any other objects where there may be a shortfall, at the discretion of the management of our Company and in compliance with applicable laws.

In the event the Net Proceeds are not completely utilised for the objects stated above by the end of Fiscal 2022 or 2023, as the case may be, such amounts will be utilised (in part or full) in subsequent periods, as determined by our Company, in accordance with applicable laws. Further, if the Net Proceeds are not completely utilised for the objects during the respective periods stated above due to factors such as (i) economic and business conditions; (ii) timely completion of the Offer; (iii) market conditions outside the control of our Company; and (iv) any other commercial considerations, the remaining Net Proceeds shall be utilised (in part or full) in subsequent periods as may be determined by our Company, in accordance with applicable laws.

Details of the utilisation of the Net Proceeds

1. Prepayment or scheduled repayment of all or a portion of certain outstanding borrowings availed by our Company

Our Company has entered into various borrowing arrangements with banks, financial institutions and other entities for borrowings in the form of, *inter alia*, fund based and non-fund based working capital facilities, term loans and external commercial borrowings. As on March 31, 2021, the total outstanding borrowings of our Company is ₹ 17,118.75 million. For details of these financing arrangements including indicative terms and conditions, see "*Financial Indebtedness*" on page 378.

Our Company intends to utilize ₹ 9,475.81 million from the Net Proceeds towards repayment or prepayment of all or a portion of the principal amount on certain loans availed by our Company and the accrued interest thereon, the details of which are listed out in the table below. Pursuant to the terms of the borrowing arrangements, prepayment of certain indebtedness may attract prepayment charges as prescribed by the respective lender. Such prepayment charges, as applicable, will also be funded out of the Net Proceeds. In the event the Net Proceeds are insufficient for payment of pre-payment penalty, as applicable, such payment shall be made from the internal accruals of our Company.

Given the nature of the borrowings and the terms of repayment or prepayment, the aggregate outstanding amounts under the borrowings may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay or refinance some of its existing borrowings prior to Allotment. Further, the amounts outstanding under the borrowings as well as the sanctioned limits are dependent on several factors and may vary with the business cycle of our Company with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits. Further, our Company may also avail additional borrowings after the date of

this Draft Red Herring Prospectus and/or draw down further funds under existing loans from time to time. Accordingly, in case any of the below loans are pre-paid or further drawn-down prior to the completion of the Offer, we may utilize the Net Proceeds towards repayment/pre-payment of such additional indebtedness. In light of the above, if at the time of filing the Red Herring Prospectus, any of the below mentioned loans are repaid in part or full or refinanced or if any additional credit facilities are availed or drawn down or if the limits under the working capital borrowings are increased, then the table below shall be suitably revised to reflect the revised amounts or loans as the case may be which have been availed by our Company.

The selection of borrowings proposed to be prepaid or repaid amongst our borrowing arrangements availed will be based on various factors, including (i) cost of the borrowing, including applicable interest rates; (ii) any conditions attached to the borrowings restricting our ability to prepay/ repay the borrowings and time taken to fulfil, or obtain waivers/ consents for fulfilment of such conditions; (iii) receipt of consents for prepayment from the respective lenders; (iv) terms and conditions of such consents and waivers; (v) levy of any prepayment charges/ penalties; (vi) provisions of any laws, rules and regulations governing such borrowings; and (vii) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan.

We believe that the pre-payment or scheduled repayment will help reduce our outstanding indebtedness and finance cost, assist us in maintaining a favourable debt-equity ratio and enable utilisation of our internal accruals for further investment in business growth and expansion. In addition, we believe that since the debt-equity ratio of our Company will improve significantly it will enable us to raise further resources in the future to fund potential business development opportunities and plans to grow and expand our business in the future.

The details of the outstanding loans proposed for repayment or prepayment, in full or in part from the Net Proceeds are set forth below:

Sr No	Name of the lender	Date of sanction letter/ facility agreement	Nature of loan	Rate of interest (% per annum)	Sanctioned amount (in ₹ million)	Total outstanding amount as on March 31, 2021[(1)] (in ₹ million)	Repayment Schedule	Voluntary prepayment penalty (if paid out of Net Proceeds)	Purpose for which the loan was sanctioned[(2)]
1.	Export Import Bank of India	October 18, 2017	Term Loan	LTMR+ 75 bps	850.00	531.25	16 equal quarterly instalments from April 2018 **	At the Bank discretion	Reimbursement of Research and Development Expenses
2.	Export Import Bank of India	March 26, 2019	Term Loan	LTMR+ 75 bps	650.00	568.45	16 equal quarterly instalments from April 2020 **	1.00%	Reimbursement of Research and Development Expenses
3.	Aditya Birla Finance Limited	December 18, 2018	Term Loan	LTRR-7.00%	800.00	692.73	28 quarterly ballooning instalments from April 2019	Nil	Take-over of the current outstanding of Yes Bank Ltd.'s loan with current o/s of approx. Rs. 40.86 Crore; 2. Take-over of the current outstanding of Yes Bank Ltd.'s Capex term loan with current o/s of Rs. 18 Crore; and 3. Balance portion to be used for long-term working capital/ capital expenditure
4.	Aditya Birla Finance	April 28, 2018	Term Loan	LTRR-6.90%	600.00	160.00	15 equal quarterly	Nil	Long term working capital loan

Sr No	Name of the lender	Date of sanction letter/ facility agreement	Nature of loan	Rate of interest (% per annum)	Sanctioned amount (in ₹ million)	Total outstanding amount as on March 31, 2021[(1)] (in ₹ million)	Repayment Schedule	Voluntary prepayment penalty (if paid out of Net Proceeds)	Purpose for which the loan was sanctioned[(2)]
	Limited						instalments from July 2018		
5.	Aditya Birla Finance Limited	April 28, 2018	Term Loan	LTRR-6.90%	400.00	114.29	14 equal quarterly instalments from October 2018	Nil	Long term working capital loan
6.	Tata Capital Financial Services Limited	June 26, 2019	Term Loan	LTLR - 8.25%	400.00	315.00	60 monthly instalments from August 2019.	If paid within: a) 01-24 Month : 2% b) 25-60 Months: 1% c) No prepayment if paid after 24 months out of IPO Proceeds"	General corporate purpose utilised for equity Infusion in Subsidiaries
7.	Tata Capital Financial Services Limited	August 5, 2019	Term Loan	LTLR - 8.25%	200.00	167.50	60 monthly instalments from December 2019.	If paid within: a) 01-24 Month : 2% b) 25-60 Months: 1% c) No prepayment if paid after 24 months out of IPO Proceeds"	General corporate purpose
8.	Tata Capital Financial Services Limited	February 17, 2021	Term Loan	LTLR - 10.00%	800.00	800.00	60 monthly instalments from April 2021.	If paid within: a) 01-24 Month : 2% b) 25-60 Months: 1% c) No prepayment if paid after 24 months out of IPO Proceeds"	General corporate purpose utilised for equity Infusion/ unsecured loan in Subsidiaries and capital expenditure
9.	Tata Capital Financial Services Limited^	February 17, 2021	Term Loan	LTLR - 10.00%	700.00	200.00	60 monthly instalments from April 2021.	If paid within: a) 01-24 Month : 2% b) 25-60 Months: 1% c) No prepayment if paid after 24 months out of IPO Proceeds"	General corporate purpose utilised for equity Infusion/ unsecured loan in Subsidiaries and capital expenditure
10.	Shinhan Bank	June 25, 2020	Term Loan	3M MCLR + 0.35%	170.00	155.00	48 monthly instalments from August 2021	2% if paid within first two years, and 1% after that	Acquisition of manufacturing facility at Kadu, Surendranagar, Gujarat from Ms

Sr No	Name of the lender	Date of sanction letter/ facility agreement	Nature of loan	Rate of interest (% per annum)	Sanctioned amount (in ₹ million)	Total outstanding amount as on March 31, 2021[(1)] (in ₹ million)	Repayment Schedule	Voluntary prepayment penalty (if paid out of Net Proceeds)	Purpose for which the loan was sanctioned[(2)]
									Meditria Healthcare Private Limited
11.	Bajaj Finance Limited	February 9, 2021	Term Loan	1 Year MCLR + 2.05%	1,000.00	1,000.00	20 Equal Quarterly Instalments from May 2021	If paid within: a) 01-12 Month: 2% b) 13-60 Months: 1% c) No prepayment if paid out of IPO Proceeds	Reimbursement of capital expenditure / Research and Development Expenses as per extant guidelines
12.	Bank of Maharashtra	February 18, 2021	Working Capital Limit	1 Y MCLR +1.00%	2,200.00	2,146.45	1 year/ On Demand	At bank Discretion	Working Capital Requirement
13.	Bank of Maharashtra	May 14, 2020	COVID 19 Emergency Credit Line	1 Y MCLR +1.00%	70.00	57.88	2 Years	At bank Discretion	For emergent liquidity mismatch arising out of Covid- 19
14.	Bank of Baroda[#]	May 18, 2020	Working Capital Limit	1 Y MCLR +0.75%	2,590.00	2567.26	1 year/ On Demand	At bank Discretion	Working Capital Requirement
					11,430.00	9,475.81			

***Repayment terms are further elongated by six months on account of availment of moratorium based on the circulars dated March 27, 2020 and May 23, 2020 issued by the Reserve Bank of India.*

[#]BOB Capital Markets Limited is appointed as the Book Running Lead Manager to the Offer and is related to one of our lenders, namely Bank of Baroda. However, on account of this relationship, BOB Capital Markets Limited do not qualify as associate of our Company in terms of Regulations 21(A)(1) of the SEBI Merchant Bankers Regulations and read with Regulation 23(3) of the SEBI ICDR Regulations. Further, in this connection, please note that the loan provided by Bank of Baroda to our Company, is part of their ordinary course of lending business. Accordingly, we do not believe that there is any conflict of interest in terms of the SEBI Merchant Bankers Regulations, as amended, or any other applicable SEBI regulations.

^ The loan was further syndicated to Axis Finance Limited by Tata Capital Financial Services Limited in June 2021.

[(1)] As certified by the Statutory Auditors of our Company, BSR & Co. LLP, Chartered Accountants, pursuant to their certificate dated August 18, 2021

[(2)] As per the certificate dated August 18, 2021 issued by the Statutory Auditors of our Company, BSR & Co. LLP, Chartered Accountants, the facilities have been utilised for the purposes for which they were sanctioned.

2. General Corporate Purposes

The Net Proceeds will first be utilized for the objects as set out above. Subject to this, our Company proposes to deploy the balance Net Proceeds aggregating to ₹ [●] million towards general corporate purposes, subject to such amount not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise the Net Proceeds, including but not restricted to strategic initiatives, meeting funding requirements for expansion of our business operations, repayment of debt, providing security deposits and cash collaterals and for meeting exigencies and expenses of our Company, as applicable.

The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the business requirements of our Company and other relevant considerations, from time to time. Our Company's management shall have flexibility in utilising surplus amounts, if any. In addition to the above, our Company may utilise the Net Proceeds towards other expenditure considered expedient and as approved periodically by our Board or a duly constituted committee thereof, subject to compliance with necessary provisions of the Companies Act.

Means of Finance

The fund requirements set out above are proposed to be funded from the Net Proceeds. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from Offer.

Offer Expenses

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

The Offer related expenses primarily include fees payable to the Managers and legal counsels, fees payable to the Auditors, brokerage and selling commission, underwriting commission, commission payable to Registered Brokers, RTAs, CDPs, SCSBs' fees, Sponsor Bank's fees, Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

All fees and expenses in relation to the Offer other than the listing fees (which shall be borne by our Company) shall be shared amongst our Company and the Selling Shareholders, pursuant to the Offer and in accordance with applicable laws. However, for ease of operations, expenses of the Selling Shareholders may, at the outset, be borne by our Company on behalf of the Selling Shareholders, and the Selling Shareholders agrees that it will reimburse our Company for all such expenses, upon successful completion of the Offer, in accordance with applicable laws.

The estimated Offer related expenses are as under:

Activity	Estimated expenses[(1)] (in ₹ million)	As a % of the total estimated Offer expenses[(1)]	As a % of the total Offer size[(1)]
Managers fees and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Selling commission/processing fee for SCSBs, Sponsor Bank and fee payable to the Sponsor Bank for Bids made by RIBs[(2)(3)(4)]	[●]	[●]	[●]
Brokerage and selling commission and bidding charges for members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs[(5)]	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Fees payable to the other advisors 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 stationery	[●]	[●]	[●]
- Advertising and marketing expenses	[●]	[●]	[●]
- Fee payable to legal counsels	[●]	[●]	[●]
- Miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

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

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

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

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

(3) *No processing fees shall be payable by our Company to the SCSBs on the applications directly procured by them Processing fees payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking, would be as follows:*

Portion for Retail Individual Bidders	₹[●] *per valid application (plus applicable taxes)*
Portion for Non-Institutional Bidders	₹[●] *per valid application (plus applicable taxes)*

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

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

**For each valid application*

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

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

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

Note: The brokerage/selling commission payable to the Syndicate/sub-syndicate members will be determined on the basis of the ASBA Form number/series, provided that the application is also bid by the respective Syndicate/sub-syndicate member. For clarification, if an ASBA bid on the application form number/series of a Syndicate/sub-syndicate member, is bid for by an SCSB, the brokerage/selling commission will be payable to the SCSB and not to the Syndicate/sub-syndicate member. The brokerage/selling commission payable to the SCSBs, RTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the Bid book of either of the Stock Exchanges. The bidding charges payable to the Syndicate/sub-syndicate members will be determined on the basis of the bidding terminal ID as captured in the Bid book of the Stock Exchanges. Payment of brokerage/selling commission payable to the sub-brokers/agents of the sub-syndicate members shall be handled directly by the sub-syndicate members, and the necessary records for the same shall be maintained by the respective sub-syndicate member.

The selling commission or charges, as the case may be, payable to SCSBs, members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs is subject to finalization of the Basis of Allotment.

The Offer expenses shall be payable in accordance with the arrangements or agreements entered into by our Company with the respective Designated Intermediary.

Interim Use of Funds

Pending utilization for the purposes described above, our Company undertakes to temporarily invest the funds from the Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934, as amended, in accordance with the SEBI ICDR Regulations. In accordance with Section 27 of the Companies Act 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Bridge Loan

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are required to be repaid from the Net Proceeds.

Monitoring of Utilization of Funds

The Monitoring Agency shall be appointed for monitoring the utilisation of Net Proceeds prior to the filing of the Red Herring Prospectus in accordance with Regulation 41 of the SEBI ICDR Regulations. Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will

disclose the utilisation of the Net Proceeds, including interim use under a separate head in its balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.

Pursuant to Regulation 18(3) of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before our Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilized. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditors. Further, in accordance with the Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the utilisation of the Net Proceeds from the objects of the Offer as stated above; and (ii) details of category wise variations in the utilisation of the Net Proceeds from the objects of the Offer as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results of our Company, and explanation for such variation (if any) will be included in our Director's report, after placing such information before our Audit Committee.

Variation in objects of the Offer

In accordance with Sections 13(8) and 27 of the Companies Act 2013, our Company shall not vary the objects of the Offer unless our Company is authorized to do so by way of a special resolution of its Shareholders and such variation will be in accordance with the applicable laws including the Companies Act 2013 and the SEBI ICDR Regulations. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act 2013. Pursuant to Sections 13(8) and 27 of the Companies Act 2013, our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, subject to the provisions of the Companies Act 2013 and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with the Companies Act 2013 and the SEBI ICDR Regulations.

Appraising Entity

None of the objects of the Offer for which the Net Proceeds will be utilized have been appraised by any agency or bank/financial institution.

Other Confirmations

No part of the Net Proceeds will be paid to our Promoters and Promoter Group, our Directors, our Group Companies or our Key Managerial Personnel. Our Company has not entered into, nor has planned to enter into any arrangement/ agreements with our Directors, our Key Management Personnel, or our Group Companies in relation to the utilization of the Net Proceeds of the Offer.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company in consultation with the Selling Shareholders and 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 ₹10 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 the below mentioned information along with "*Our Business*", "*Risk Factors*", "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 177, 43, 250 and 349, 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:

- Our Company is well-placed to Leverage Leading Position in the Domestic Market Large, Diversified and Fast-Growing Product Portfolio in International Markets;
- Strong R&D Capabilities Driving Differentiated Portfolio of Products Demonstrated Capabilities of Building Brands;
- Extensive and Diversified Manufacturing Capacity;
- De-Risked Business Model with Diversified Income Base;
- Environmental, Social and Governance ("ESG") Focused Business; and
- Highly Qualified, Experienced and Entrepreneurial Management Team and Board

For further details, see "*Our Business – Competitive Strengths*" on page 180.

Quantitative Factors

Certain information presented below, relating to our Company, is derived from the Restated Consolidated Financial Statements. For further details, see "*Financial Statements*" on page 250.

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 per Ind-AS 33 Earnings per share:

As derived from the Restated Consolidated Financial Statements:

Financial Period	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
Financial Year 2021	21.68	21.68	3
Financial Year 2020	4.62	4.62	2
Financial Year 2019	10.47	10.47	1
Weighted Average	**14.13**	**14.13**	

Notes:

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

(2) The figures disclosed above are based on the Restated Consolidated Financial Statements of our Company.

(3) The face value of each Equity Share is ₹10 each.

(4) Earnings per Share (₹) = Profit attributable to the owners of the Company for the year/Weighted Average No. of equity shares at the end of the period/year

(5) 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).

(6) The above statement should be read with Significant Accounting Policies and the Notes to the Restated Consolidated Financial Statements as appearing in "Restated Consolidated Financial Statements" beginning on page 251.

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

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (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	66.12
Lowest	25.28
Industry Composite	44.08

Notes:

(1) The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section. For further details, see "– Comparison of Accounting Ratios with Listed Industry Peers" on page 136.

3. Weighted Average Return on Net Worth ("RoNW")

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

Particulars	RoNW %	Weight
Financial Year 2021	17.25	3
Financial Year 2020	4.37	2
Financial Year 2019	10.35	1
Weighted Average	**11.81**	

Notes:

(1) Return on Net Worth ratio: Total profit for the year attributable to owners of the company divided by the Equity attributable to the owners of the Company at the end of the year.

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

(3) For reconciliation of RoNW, see "Other Financial Information – Non-GAAP Measures" on Page 341.

4. Net Asset Value per Equity Share

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

Net Asset Value per Equity Share	(₹)
As on March 31, 2021	125.68
After the Issue	[●]
Offer Price	[●]

Notes:

(1) Net Asset Value per equity share represents Equity attributable to the owners of the Company as at the end of the fiscal year, as restated, divided by the number of Equity Shares outstanding at the end of the period/year. For reconciliation of NAV, see "Other Financial Information – Non-GAAP Measures" on Page 341.

5. Comparison of Accounting Ratios with Listed Industry Peers

Name of the company	Total Income (₹ in million)	Face Value per Equity Share (₹)	Closing price on July 16, 2021 (₹)	P/E	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)	NAV (₹ per share)
Emcure Pharmaceuticals Limited*	60,918.06	10.00	-	-	21.68	21.68	17.25	125.68
Listed Peers								

Name of the company	Total Income (₹ in million)	Face Value per Equity Share (₹)	Closing price on July 16, 2021 (₹)	P/E	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)	NAV (₹ per share)
Abbott India Limited	43,909.20	10.00	17,484.45	53.79	325.04	325.04	26.54	1,224.59
Alkem Laboratories Limited	90,982.20	2.00	3,351.15	25.28	132.57	132.57	21.49	616.96
Biocon Limited	73,603.00	5.00	409.30	66.12	6.24	6.19	9.71	63.56
Cipla Limited	1,94,255.80	2.00	977.15	32.80	29.82	29.79	13.12	227.25
Dr. Reddy's Laboratories Limited	1,93,389.00	5.00	5,406.55	46.08	117.67	117.34	11.06	1,060.83
Torrent Pharmaceuticals Limited	80,614.80	5.00	2,990.75	40.43	73.98	73.98	21.45	344.94

Source: All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the annual reports/annual results as available of the respective company for the year ended March 31, 2021 submitted to stock exchanges.

**As per the Restated Consolidated Financial Statements*

Notes:

(1) P/E Ratio has been computed based on the closing market price of equity shares on NSE on July 16, 2021, divided by the Diluted EPS.

(2) Return on Net Worth (%) = Total profit attributable to owners of the company divided by Equity attributable to the owners of the Company for the year.

(3) NAV is computed as the Equity attributable to the owners of the Company divided by the outstanding number of equity shares at the end of the year.

The Offer Price is [●] times of the face value of the Equity Shares. The Offer Price of ₹ [●] has been determined by our Company in consultation with the Selling Shareholders and 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. The trading price of Equity Shares could decline due to factors mentioned in "*Risk Factors*" on page 43 and you may lose all or part of your investments. Investors should read the above mentioned information along with "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" on pages 43, 177, 349, and 250 respectively, to have a more informed view.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

The Board of Directors
Emcure Pharmaceuticals Limited
T-184, MIDC Bhosari,
Pune – 411026

Date: 12 August 2021

Subject: Statement of possible special tax benefits (the "Statement") available to Emcure Pharmaceuticals Limited (the "Company") and its shareholders and a material subsidiary in India prepared in accordance with the requirement under Schedule VI – Part A - Clause (9) (L) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations")

This report is issued in accordance with the Engagement Letter dated 24 June 2021 and addendum to engagement letter dated 10 August 2021.

We hereby report that the enclosed Annexure II prepared by the Company, initialed by us for identification purpose, states the possible special tax benefits available to the Company and its shareholders and a material subsidiary in India ('Zuventus Healthcare Limited' / 'material subsidiary') under direct and indirect taxes (together the " Tax Laws"), presently in force in India as on the signing date, which are defined in Annexure I. These possible special tax benefits are dependent on the Company, its shareholders and the material subsidiary fulfilling the conditions prescribed under the relevant provisions of the Tax laws. Hence, the ability of the Company, its shareholders and the material subsidiary to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company, its shareholders and the material subsidiary may face in the future and accordingly, the Company, its shareholders and the material subsidiary may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure II cover the possible special tax benefits available to the Company, its shareholders and the material subsidiary and do not cover any general tax benefits available to the Company, its shareholders and the material subsidiary. Further, the preparation of the enclosed Annexure II and its contents is the responsibility of the Management of the Company. We were informed that 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 proposed initial public offering of equity shares of the Company (the "Proposed Offer") particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on the Statement.

We conducted our examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)" (the "**Guidance Note**") 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 Charted Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

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

i) the Company, its shareholders and the material subsidiary will continue to obtain these possible special tax benefits in future; or
ii) the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with.

The contents of the enclosed Annexures are based on the information, explanation and representations obtained from the Company, its shareholders and the material subsidiary, and on the basis of our understanding of the business activities and operations of the Company and the material subsidiary.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of the Tax Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.

We hereby give consent to include this Statement in the Draft Red Herring Prospectus, Red Herring Prospectus, the Prospectus and in any other material used in connection with the Proposed Offer, and it is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Abhishek
Partner
Membership No: 062343
UDIN: 21062343AAAACP7259

Place: Pune
Date: 12 August 2021

ANNEXURE I

LIST OF DIRECT AND INDIRECT TAX LAWS ('TAX LAWS')

Sr. No:	Details of tax laws
1.	Income-tax Act, 1961 and Income-tax Rules, 1962
2.	Central Goods and Services Tax Act, 2017
3.	Integrated Goods and Services Tax Act, 2017

LIST OF MATERIAL SUBSIDIARIES IN INDIA CONSIDERED AS PART OF THE STATEMENT (Note 1)

1. Zuventus Healthcare Limited

Note 1: Material subsidiaries identified in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, includes a subsidiary whose income or net worth in the immediately preceding year (i.e. 31 March 2021) exceeds 10% of the consolidated income or consolidated net worth respectively, of the holding company and its subsidiaries in the immediate preceding year.

ANNEXURE II

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO EMCURE PHARMACEUTICALS LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS AND A MATERIAL SUBSIDIARY IN INDIA UNDER THE APPLICABLE DIRECT AND INDIRECT TAXES ("TAX LAWS")

Outlined below are the Possible Special Tax Benefits available to the Company, its shareholders and its material subsidiaries under the Tax Laws. These Possible Special Tax Benefits are dependent on the Company, its shareholders and its material subsidiaries fulfilling the conditions prescribed under the Tax Laws. Hence, the ability of the Company, its shareholders and its material subsidiaries to derive the Possible Special Tax Benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfill.

UNDER THE TAX LAWS

A. ***Special tax benefits available to the Company***

- Subject to the fulfillment of conditions of Integrated Goods and Services Act, 2017 and the Central Goods and Services Act, 2017, the Company's unit located in the state of Jammu and Kashmir is eligible for reimbursement of 29% of the integrated tax that is paid using debit in the cash ledger maintained by the unit in accordance with Section 20 of the Integrated Goods and Services Act, 2017 after utilizing the Input Credit of the Central Tax and Integrated Tax and for reimbursement of 58% of the Central tax that is paid using debit in the cash ledger account maintained by the unit in accordance with Sub - Section (1) of Section 49 of the Central Goods and Services Act, 2017 after utilizing the Input Credit of the Central Tax and Integrated Tax.

B. ***Special tax benefits available to Shareholders of the Company***

There are no special tax benefits available to the Shareholders under the Tax Laws.

C. ***Special tax benefits available to a material subsidiary in India ('Zuventus Healthcare Limited')***

- **Section 80IE**

  Subject to the fulfillment of conditions of Section 80IE of the Income Tax Act, 1961 in respect of undertakings in North Eastern States, Company's subsidiary Zuventus Healthcare Limited ('ZHL') is entitled to claim deduction under Section 80IE, with respect to its Unit, situated at 3 Mile, Rangpo Rorathang Road, Kamerey Bhasmay, Rangpo, East Sikkim, Sikkim. The amount of deduction available is 100% of the profits and gains derived from the said undertaking for ten consecutive years commencing with the initial assessment year (i.e. assessment year relevant to the previous year in which the undertaking has begun to manufacture or produce articles or things, or completed the substantial expansion).

  The Company's subsidiary is eligible for deduction under this section since it is manufacturing or producing eligible article or thing in the state of Sikkim as mentioned in sub-section (2) of Section 80IE of the Act. The operation of Unit commenced during the year ended 31 March 2017. Accordingly, ZHL will be eligible to claim 100% deduction of profits from the said undertaking at Sikkim upto FY ended 31 March 2026, where the gross total income of the material subsidiary includes any profits and gains derived from the aforesaid undertaking.

  The deduction would be available subject to fulfillment of conditions specified u/s 80-IE(2) and 80-IE(3) of the Income Tax Act, 1961.

- Subject to the fulfillment of conditions of Integrated Goods and Services Act, 2017 and the Central Goods and Services Act, 2017, the units located in the state of Sikkim & Jammu and Kashmir of the Company's subsidiary Zuventus Healthcare Limited is eligible for reimbursement of 29% of the integrated tax that is paid using debit in the cash ledger maintained by the unit in accordance with

Section 20 of the Integrated Goods and Services Act, 2017 after utilizing the Input Credit of the Central Tax and Integrated Tax and for reimbursement of 58% of the Central tax that is paid using debit in the cash ledger account maintained by the unit in accordance with Sub - Section (1) of Section 49 of the Central Goods and Services Act, 2017 after utilizing the Input Credit of the Central Tax and Integrated Tax.

NOTES:

1. We have not considered general tax benefits available to the Company or shareholders of the Company.

2. This Annexure is as per the current Tax Laws in force in India (i.e. applicable for the Financial Year 2021-22 relevant to the Assessment Year 2022-23 till the signing date of this annexure).

3. The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.

4. This Statement does not discuss any tax consequences in any country outside India of an investment in the equity shares of the Company. The subscribers of the Equity Shares of the Company in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.

For **Emcure Pharmaceuticals Limited**

Signed by B S R & Co. LLP for Identification purpose only

Tajuddin Shaikh
Authorized Signatory

Place: Pune
Date: 12 August 2021

SECTION IV – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*The information in this section is derived from the report "Assessment of the global and Indian pharmaceuticals industry" dated August 2021 (the "**CRISIL Report**") prepared by CRISIL Research ("**CRISIL**"), a division of CRISIL Limited. We commissioned and paid for the CRISIL Report for an agreed fee for the purposes of confirming our understanding of the industry exclusively in connection with the Offer. We officially engaged CRISIL Research in connection with the preparation of the CRISIL Report on May 5, 2021. The data included in this section includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the Offer), that have been left out or changed in any manner.*

*Further, the CRISIL Report was prepared on the basis of information as of specific dates which may no longer be current or reflect current trends and opinions in the CRISIL Report may be based on estimates, projections, forecasts and assumptions that may prove to be incorrect. CRISIL has advised that while it has taken due care and caution in preparing the CRISIL Report based on the information obtained by CRISIL from sources which it considers reliable, it does not guarantee the accuracy, adequacy or completeness of the CRISIL Report or the data therein and is not responsible for any errors or omissions or for the results obtained from the use of CRISIL Report or the data therein. Further, the CRISIL Report is not a recommendation to invest or disinvest in any company covered in the report. CRISIL especially states that it has no liability whatsoever to the subscribers, users, transmitters or distributors of the CRISIL Report. CRISIL operates independently of, and does not have access to information obtained by CRISIL's Ratings Division or CRISIL Risk and Infrastructure Solutions Ltd ("**CRIS**"), which may, in their regular operations, obtain information of a confidential nature. The views expressed in the CRISIL Report are that of CRISIL and not of CRISIL's Ratings Division or CRIS. Prospective investors are advised not to unduly rely on the CRISIL Report.*

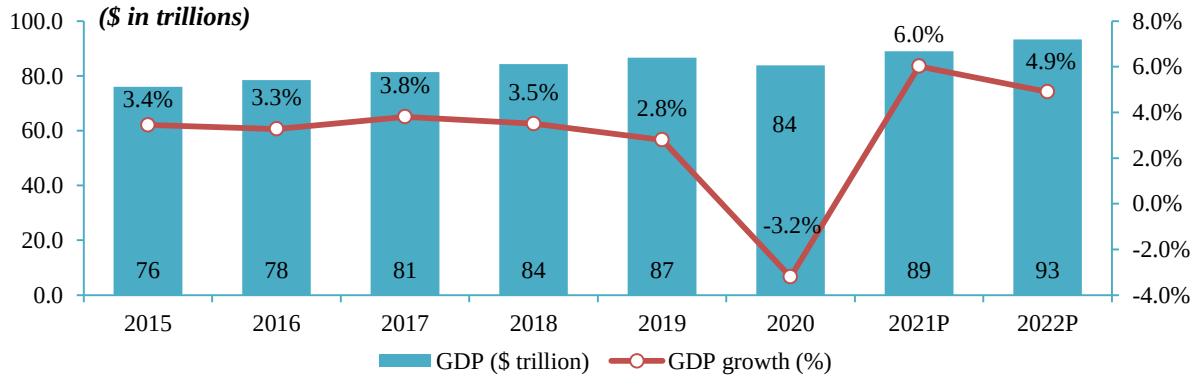
Macroeconomic Assessment

Global GDP Review and Outlook

While global gross domestic product (GDP) declined sharply in 2020 owing to the COVID-19 pandemic, it is expected to rebound strongly by the end of calendar year 2021 on account of policy support and the vaccination drive

Global prospects remain highly uncertain one year into the pandemic. Amid exceptional uncertainty, the global economy is projected to grow 4.9% in 2022. The outlook depends not just on the virus spread and vaccination drive to contain it, but it also hinges on how effectively economic policies can limit lasting damage from this unprecedented crisis.

Trend and outlook for global GDP (calendar year 2015-2022)



Source: IMF economic database, World Bank national accounts data and OECD national accounts data, CRISIL Research
P: Projected

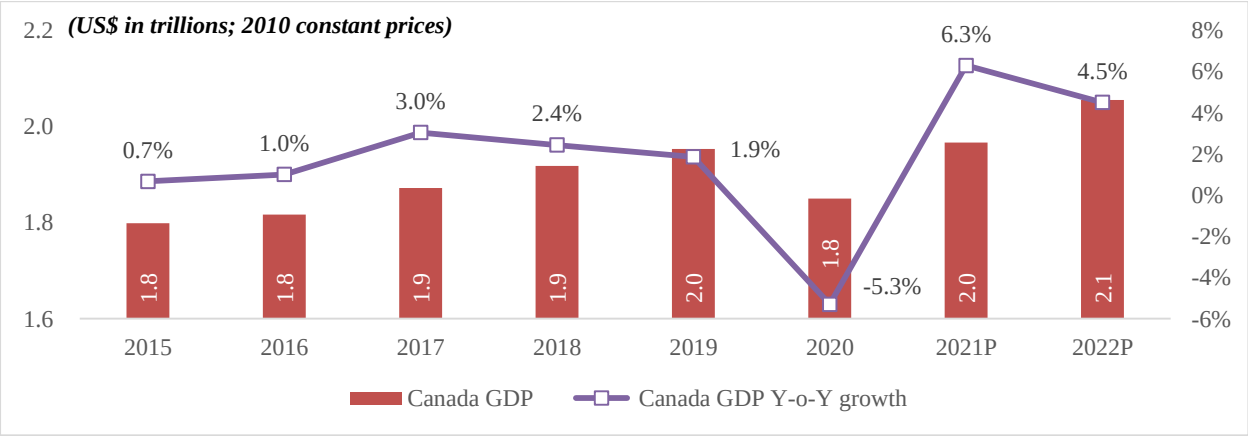
India is expected to regain the top spot as the world's fastest growing economy in 2021

Real GDP growth by geographies

	2017	2018	2019	2020	2021P	2022P
United States	2.3	3.0	2.2	–3.5	7.0	4.9
Japan	2.2	0.3	0.3	–4.7	2.8	3.0
United Kingdom	1.2	1.3	1.4	–9.8	7.0	4.8
China	6.9	6.7	6.0	2.3	8.1	5.7
Canada	3.0	2.4	1.9	-5.3	6.3	4.5
European Union	3.0	2.3	1.7	-6.0	4.7	4.4
India	6.8	6.5	4.0	-7.3*	9.5*	7.8*

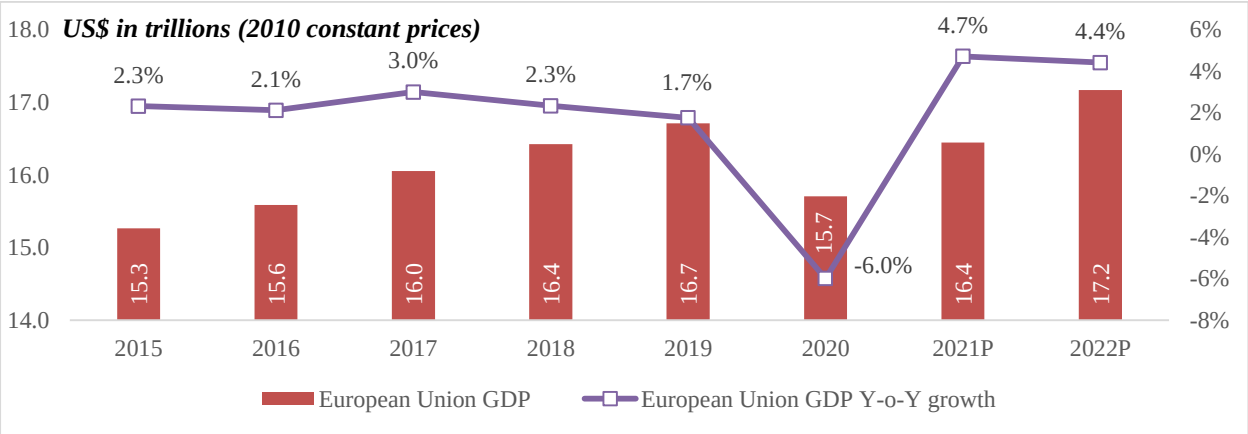
Source: IMF economic database, World Bank national accounts data and OECD national accounts data, CRISIL Research.
P: Projected
**- Numbers for India for year 2021 and 2022 are as per CRISIL Research forecast. IMF forecast for the calendar year 2020: -7.3% and the calendar year 2021: 9.5%, the calendar year 2022: 8.5%. For year 2020 provisional estimates are used as per government of India publications.*
Emerging Asia comprises the ASEAN-5 (Indonesia, Malaysia, Philippines, Thailand, Vietnam) economies, China, and India.

Real GDP trend for Canada (2015-22P)



Source: IMF, World Bank, CRISIL Research
P: Projection as per IMF World Economic update – July 2021

Real GDP trend for European Union (2015-22P)



Source: IMF, World Bank, CRISIL Research
P: Projection as per IMF World Economic update – July 2021

Review of Global Per Capita GDP

India's per capita GDP growing at approximately 3x global per capita GDP growth rate

Global GDP per capita grew at 1.7% CAGR between the calendar years 2013 and 2019, as per World Bank data. During the period, year-on-year global GDP per capita rose 1.4-2.1%. Meanwhile, India's corresponding figure clocked approximately 5.7% CAGR between 2013 and 2019, approximately 3 times faster than the global number.

Global and Indian per capita GDP growth at constant 2010 dollar (2013-19)

	2013	2014	2015	2016	2017	2018	2019	CAGR
Per capita GDP – Global (constant 2010 $)	10,010	10,175	10,347	10,493	10,713	10,919	11,070	1.7%
On-year growth (%)		1.6%	1.7%	1.4%	2.1%	1.9%	1.4%	
Per capita GDP – India (constant 2010 $)	1,545	1,640	1,752	1,876	1,987	2,086	2,151	5.7%
On-year growth (%)		6.2%	6.8%	7.1%	5.9%	5.0%	4.0%	

Source: World Bank, CRISIL Research
Note: 2019 is latest available year.

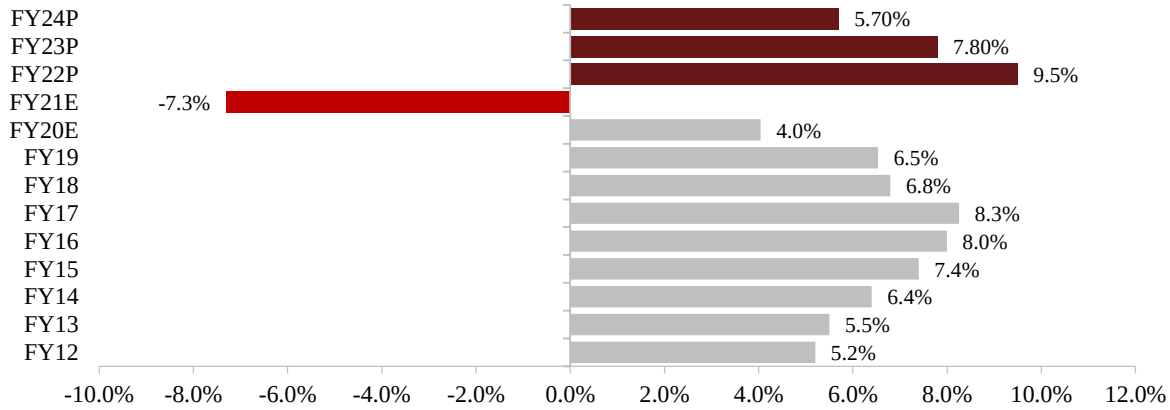
Macro-Economic Assessment of India

A Review of India's GDP Growth

Economy contracted 7.3% in the financial year 2021

India GDP contracted 7.3% (in real terms) last financial year, after growing 4.0% in the financial year 2020. The gains made by the economy in the fourth quarter of the financial year 2021 seem to have fizzled out in the first quarter of the financial year 2022 because of the fierce second wave of COVID-19, leading to localized lockdowns in most states. At the same time, monetary policy has begun normalizing, and some tightness in domestic financial conditions is inevitable. Against this backdrop, policy support remains critical, apart from action in the external environment.

Real GDP growth (% on-year)



Source: Second advance estimates of national income 2020-21, CSO, MoSPI, CRISIL Research
E: Estimated; P: Projected by CRISIL Research; GDP calls updated as of May 2021.

Key Fiscal Measures Announced by the Centre to Deal With the Pandemic Impact

To mitigate the pandemic's negative impact on the economy, the Central government has announced a ₹20.9 trillion package, amounting to 10% of the country's nominal GDP. The package is a mix of fiscal and monetary measures (to revive growth in the short term) and reforms (to boost long-term economic prospects). Liquidity support has been a major part of India's response so far. Globally, too, liquidity measures have played a lead role in policy response. The immediate fiscal cost to be borne by the government would be approximately ₹2.6 trillion, or 1.2% of nominal GDP. Further, execution of the government's measures to revive the economy and pace of implementation of the announced reforms are key monitorables.

Review of Private Final Consumption Growth in India

Private final consumption expenditure to maintain dominant share in GDP

Private final consumption expenditure (PFCE) at constant prices clocked 6.8% CAGR between the financial years 2012 and 2020, maintaining its dominant share in the GDP pie, at approximately 57% or ₹83.3 trillion.

Within the consumption basket, health expenses rose at 9.7% CAGR between the financial years 2012 and 2020, compared with overall PFCE, which increased annually by 6.8%. As income levels improve and, consequently, discretionary spending increases, CRISIL Research expects the healthcare industry to gain.

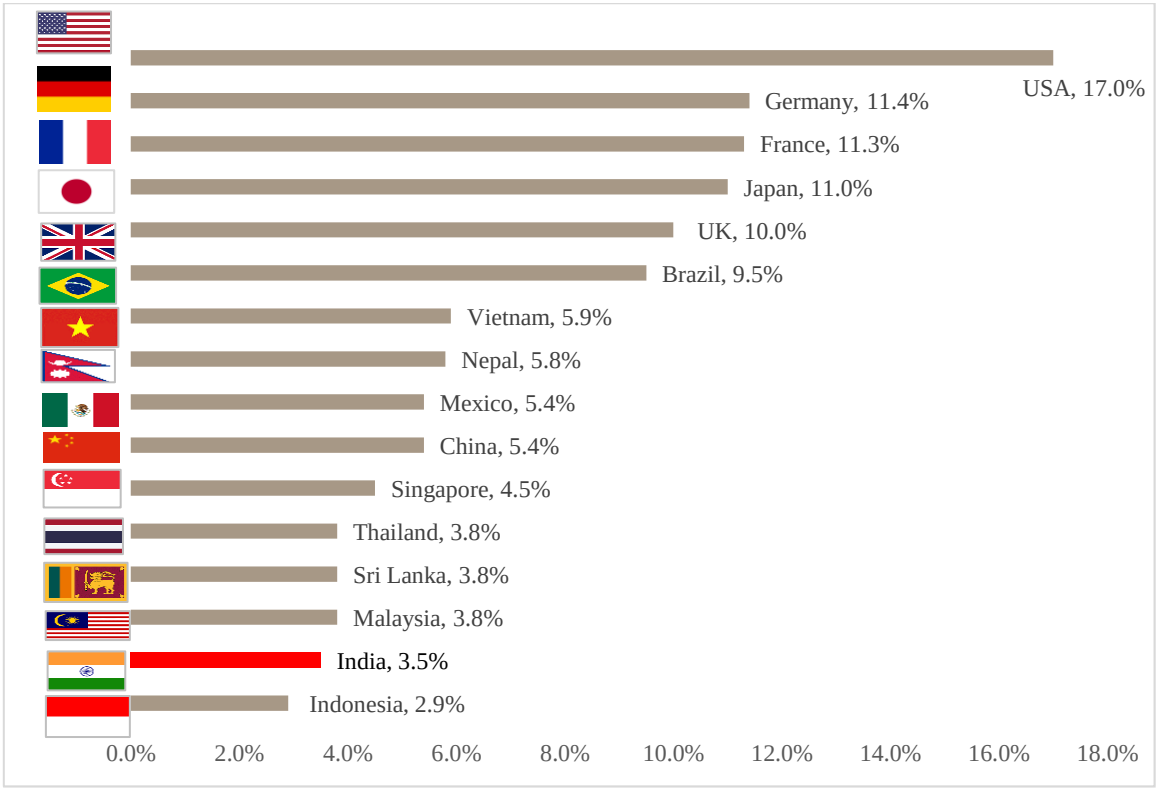
Trend of healthcare in PFCE

Particulars (at constant prices)	FY12	FY17	FY18	FY19	FY20	CAGR FY12-FY20
Total PFCE *(₹ in billions)*	49,104	69,002	73,307	78,844	83,217	6.8%
Health PFCE	1,813	3,085	3,218	3,472	3,800	9.7%

Source: Second advance estimates of national income 2020-21, MoSPI, CRISIL Research

Healthcare Expenditure

Total healthcare expenditure as % of GDP (2018)



Source: Global Health Expenditure Database, World health Organization; CRISIL Research

As of 2018, India's healthcare spending as a percentage of GDP trails not just developed countries, such as the United States and the United Kingdom, but also developing countries such as Brazil, Nepal, Vietnam, Singapore, Sri Lanka, Malaysia, and Thailand.

India's current healthcare expenditure has decreased over 2013-18. India spending on healthcare is very low and almost 65% is out-of-pocket expenditure by the public. The low healthcare expenditure is primarily due to under-penetration of healthcare services and lower consumer spending on healthcare.

Further, India's public spending on healthcare services remains much lower than its global peers. For example, India's per-capita total expenditure on healthcare (at an international dollar rate, adjusted for purchasing power parity) was only $73 in 2018 versus the US's $10,624, the UK's $4,315 and Singapore's $2,824.

Global Average Pharmaceutical Expenditure Spend is Approximately $800 Per Capita, India Spends $10-15 Per Capita

The government of India plans to increase its healthcare spending (Public healthcare spending) to 2.5-3.0% by 2025. Pharmaceutical spends form 15-20% of healthcare expenditure on pharmaceutical expenses, but the per capita actual spend on pharmaceutical expenses is drastically below global average.

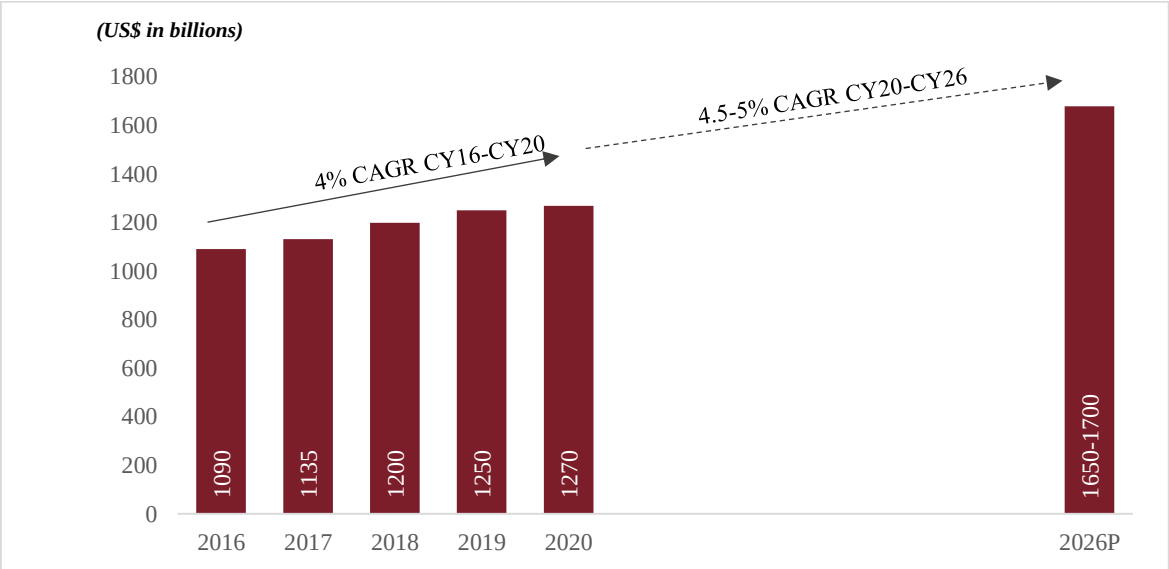
Assessment of Overall Pharmaceutical Market

Overview of Global Pharmaceutical Market

Global pharmaceutical market to grow at steady approximately 5% CAGR from 2020 to 2026

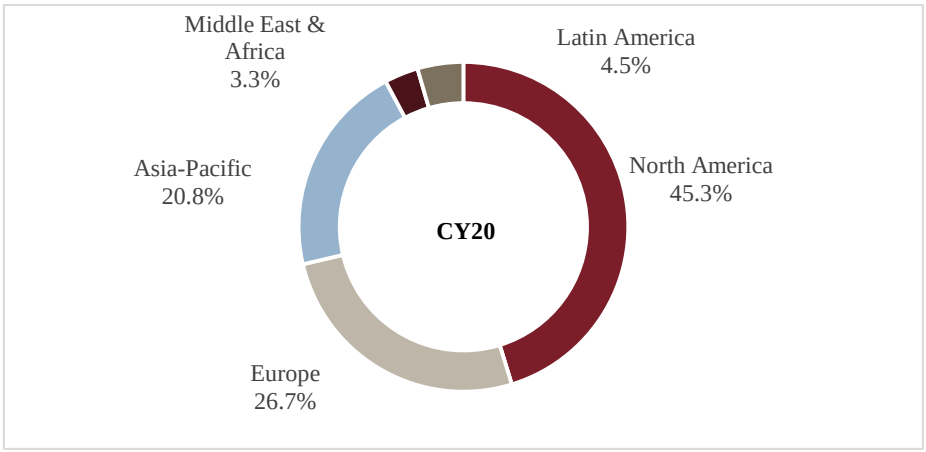
Global pharmaceutical market has grown by around 4.5-5% CAGR from approximately US$1,090 billion in the calendar year 2016 to approximately US$1,270 billion in the calendar year 2020. It is expected to sustain this growth over the next five years to reach approximately US$1,650-1,700 billion in the calendar year 2026. New product launches, population aging and sedentary lifestyles leading to increased chronic disease prevalence, technological advances, new methods for drug discovery, and an increase in pharmaceutical drug usage have been some of the key growth drivers for the industry.

Global pharmaceutical market by value



Source: Mordor Intelligence, Pharma Company reports, CRISIL Research
P: Projected

Segmentation of global pharmaceutical market based on region

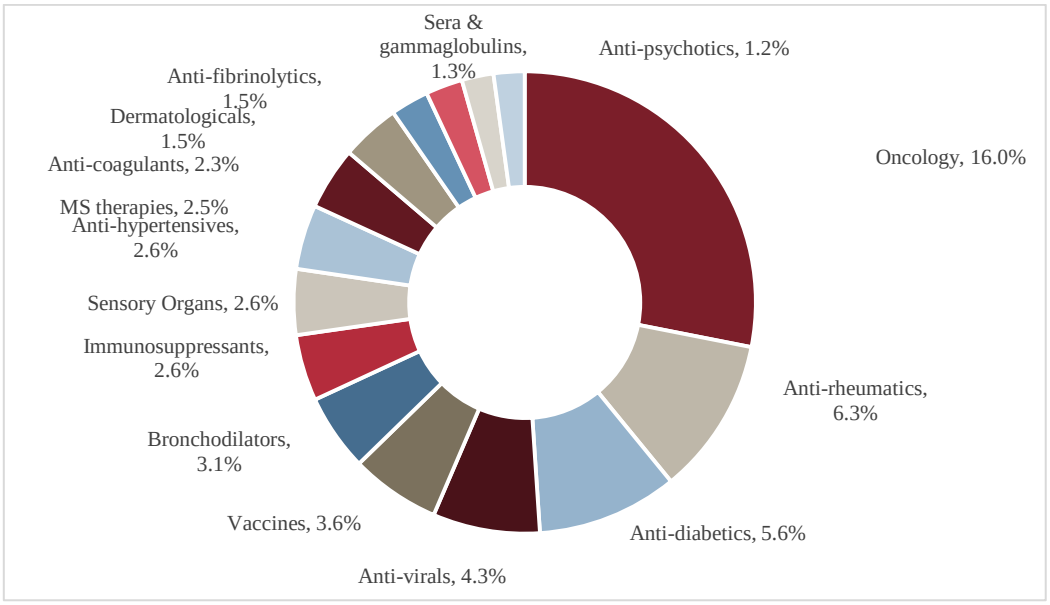


Source: Mordor Intelligence, CRISIL Research
Note: Overall pharmaceutical market was sized at US$1,270 billion in 2020

Oncology drugs contributes to larger share of the pharma market

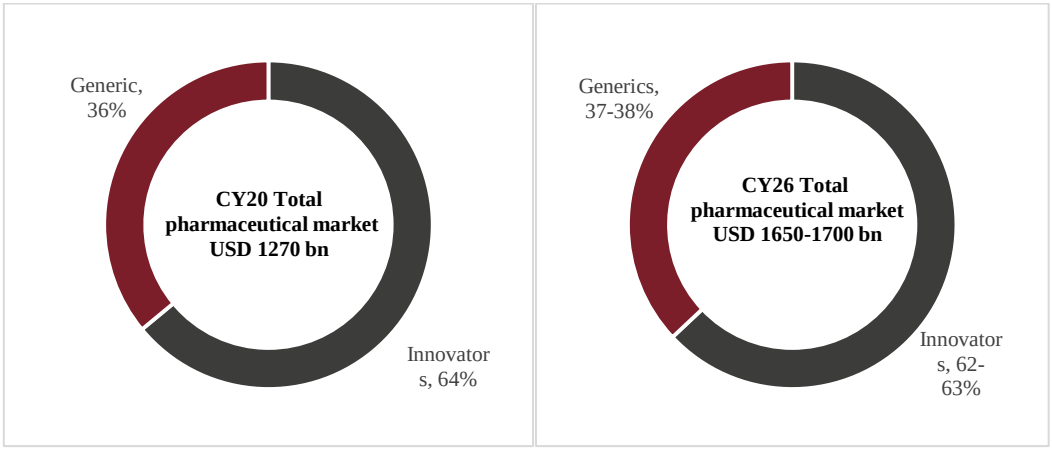
Oncology is the largest therapy area in pharmaceutical market by value with close to 16% share in pharmaceutical sales in 2019. It is one of the more expensive areas to develop new therapeutic drugs. Around 40% of R&D spend in pharma sector goes into oncology segment. The growth of oncology sales can be partly attributed to the growth of the immune-oncology sub-segment. Oncology, Anti-rheumatics and anti-diabetics have been the fastest growing therapeutic segments in the last five years. Rising incidence of diabetes aided growth in the anti-diabetics segment.

Therapy-wise share in global pharmaceutical market (value) (2019)



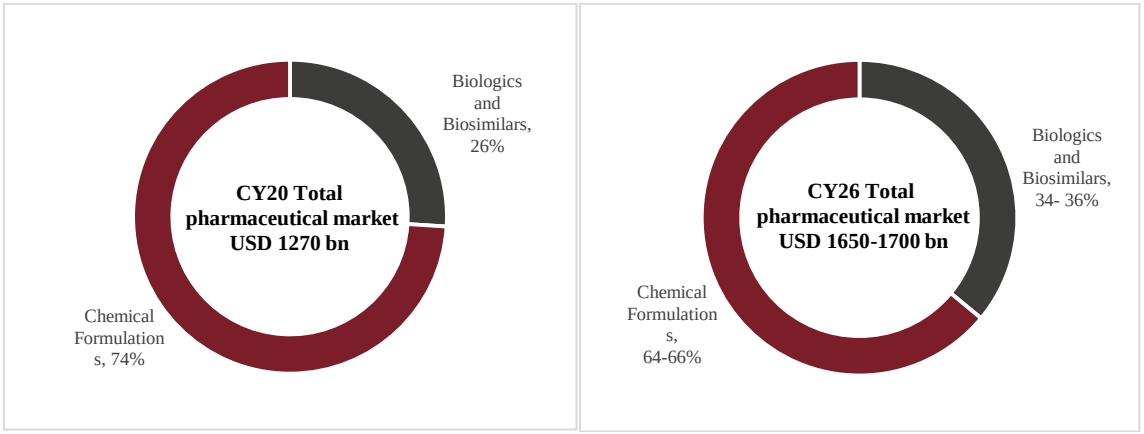
Source: Industry reports, CRISIL Research
Note: Overall pharmaceutical market was sized at US$1,250 billion in 2019

Segmentation of global pharmaceutical market based on innovators vs. generics



Source: CRISIL Research

Segmentation of global pharmaceutical market based on chemical formulation vs. biologics & biosimilars



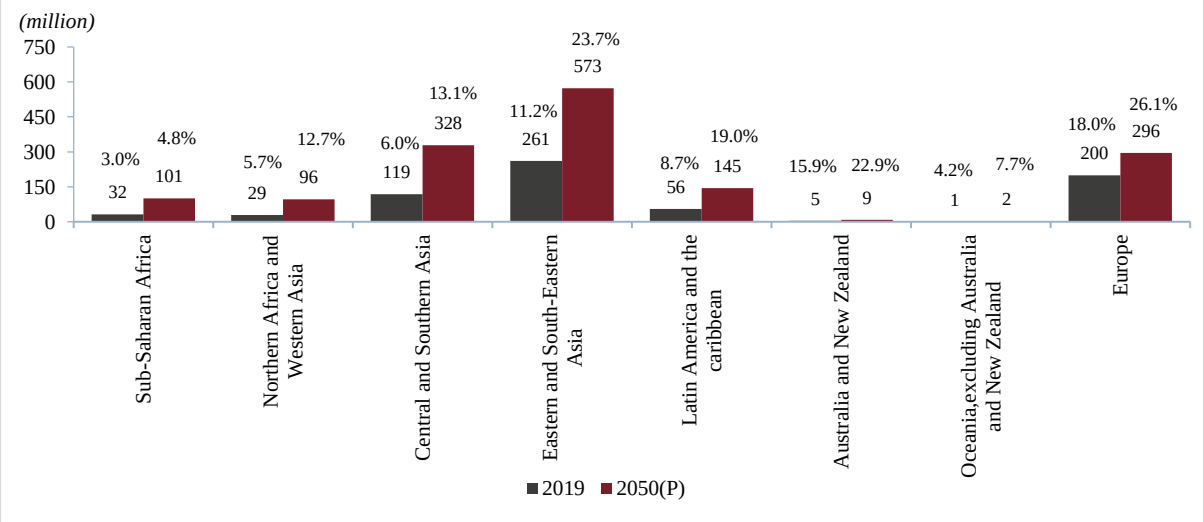
Source: CRISIL Research

Key Growth Drivers for Global Pharmaceutical Industry

Rise in ageing population

According to the data from 'World Population Prospects: The 2019 Revision' published by the United Nations, the number of older people, aged 65 years or above, is expected to more than double by 2050, globally, rising from 703 million in 2019 to 1.5 billion in 2050. Globally, the population group aged 65 years or over is registering faster growth rates than all younger age groups. Healthcare needs of the aging group which mainly consists of chronic diseases is expected to drive growth for the Global pharmaceutical industry.

Number of persons aged 65 years or over by geographic region, 2019 and 2050



Source: UN population ageing 2019, CRISIL Research
Note: Percentage figures indicate share in total population in respective years.
P: Projected

Incidence of chronic diseases

Incidence and prevalence of chronic diseases are increasing rapidly all around the world. Rising incidences of diseases, such as cancer, cardiovascular diseases, obesity, and diabetes, are primarily observed and have a significant impact on the economy of the country, which is likely to drive the demand for pharmaceuticals. According to the Organization for Economic Co-operation and Development's (OECD's) Health at a Glance, the 2019 report, almost one third of people aged 15 years and over reported living with two or more chronic conditions. Cardiovascular diseases are found to be most prevalent across the world, and are the leading causes of death.

Better access to medicine in emerging markets

The gap in average medicine usage between developed markets and emerging markets is closing, owing to reasons like increased per capita income, improvement in healthcare infrastructure, and increase in insurance coverage. The rise of government safety nets and private insurance is one key factor that will increase volume usage across emerging markets. The extent and pace of investments, both public and private, will be a key determinant of continued increases in usage.

Significant R&D spends to continue to boost pharmaceutical growth across major markets like the United States and Europe

Increasing R&D expenditure by global players is expected to lead to development of innovative and specialty medicines in the treatment of various diseases. The entire U.S. biopharmaceutical and pharmaceutical industry invested an estimated approximately US$83 billion in research and development (R&D) in the calendar year 2019 which was approximately 4.5% higher compared to the calendar year 2018. Similarly, as per the European Federation of Pharmaceutical Industries and Association (EFPIA), in Europe, the pharmaceutical research & development investment was around approximately Euro 36.5 billion in the calendar year 2018 compared to approximately Euro 35.3 billion in the calendar year 2017.

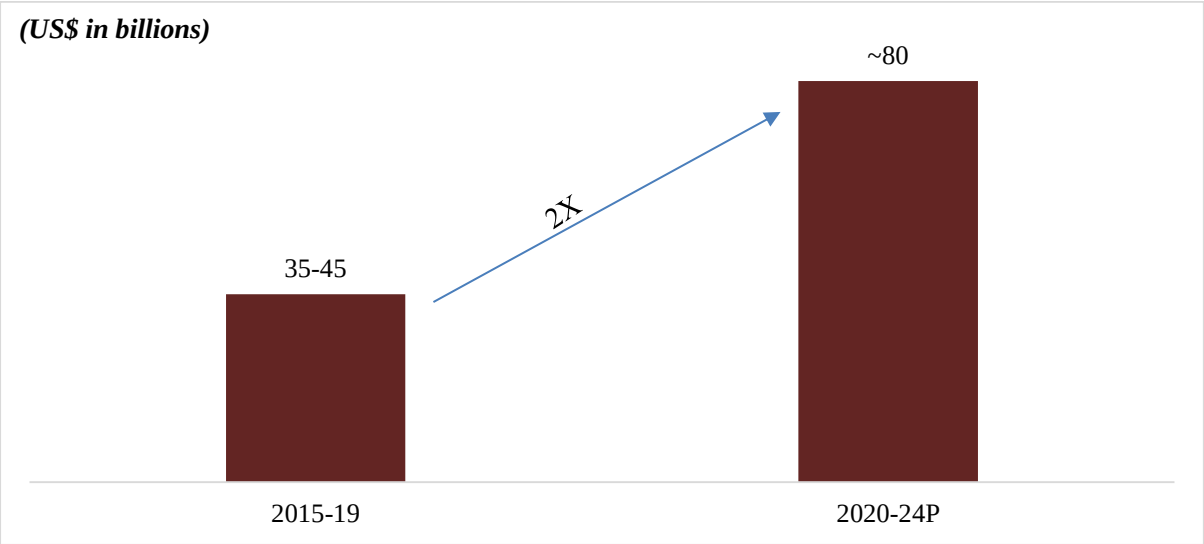
Strong development of generics market

Developed economies spend a major portion of their gross domestic product (GDP) on healthcare. Going forward, demand for pharma products in developed markets is expected to be driven by factors such as an ageing population and growing incidences of chronic diseases. However, austerity measures adopted in Europe will continue to drive demand for generic drugs and pricing realizations may not be as favorable as in the past. On the other hand, healthcare reforms in the United States are driving higher insurance coverage and greater usage of generic medicines.

Patent cliff and traction in regulated market for biosimilars expected to aid the global pharmaceutical market growth

Many patented biopharmaceuticals are set to expire over the next 5-10 years in the United States and Europe. Further, even among the drugs where patents have already expired, the penetration of biosimilar is very low due to regulatory challenges and difficult procedural requirements of all-phase clinical trials. In core pharmaceuticals, all-phase clinical trials are not required for generic launches. These expiries will present a lucrative opportunity for biologics players to launch biosimilar versions in regulated markets.

Global value of biopharmaceutical drugs going off-patent



Source: Industry, CRISIL Research
P: Projected

Overview of Recent Trends in the Industry

Pharmaceutical players building complex generics and specialty molecules portfolio

A complex generic is a generic that could have a complex active ingredient, complex formulation, complex route of delivery, or complex drug device combinations. Specialty drugs are high-cost prescription medications used to treat complex, chronic conditions such as cancer, rheumatoid arthritis, and multiple sclerosis. They can be used in rare or orphan disease indications. It may have unique storage or shipment requirements and might require additional patient education, adherence, and support beyond traditional dispensing activities.

With declining opportunity in the conventional generics segment and pricing pressures on the existing portfolios, it has become important for generic players to look at high-value and high-margin drugs. Players have been developing niche products in order to weather the impact of pricing pressure.

Biologics present huge opportunity during 2020-2025

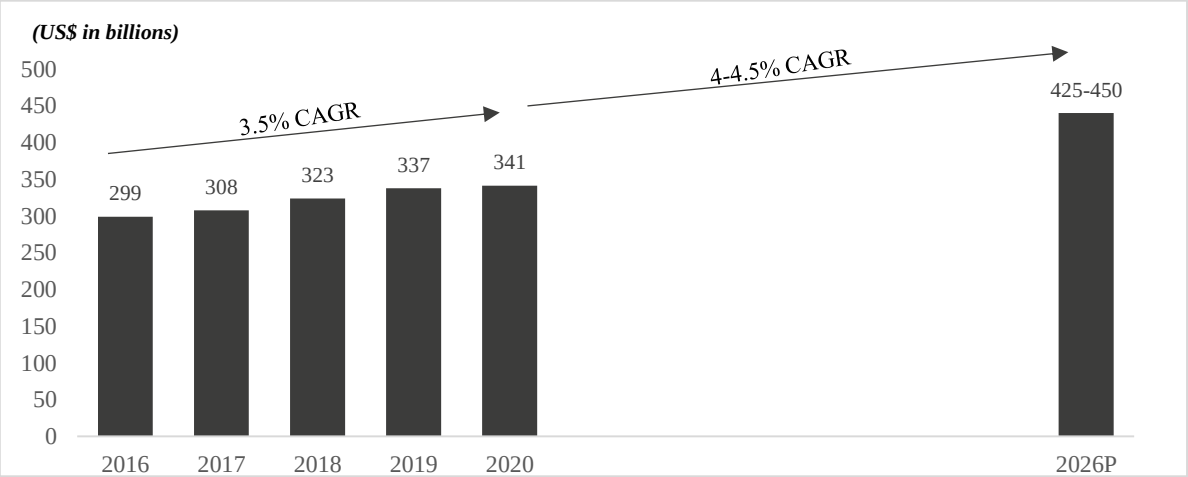
Biologics share in total patent expiries by value is expected to be higher in next five years, signifying a tremendous opportunity for players. Many of the top players have already started moving towards biosimilar.

Europe and Canada Market

Review and outlook on market size

Europe market is expected to grow at a moderate rate of approximately 4-4.5% CAGR from 2020 to 2026.

Review and outlook on Europe market

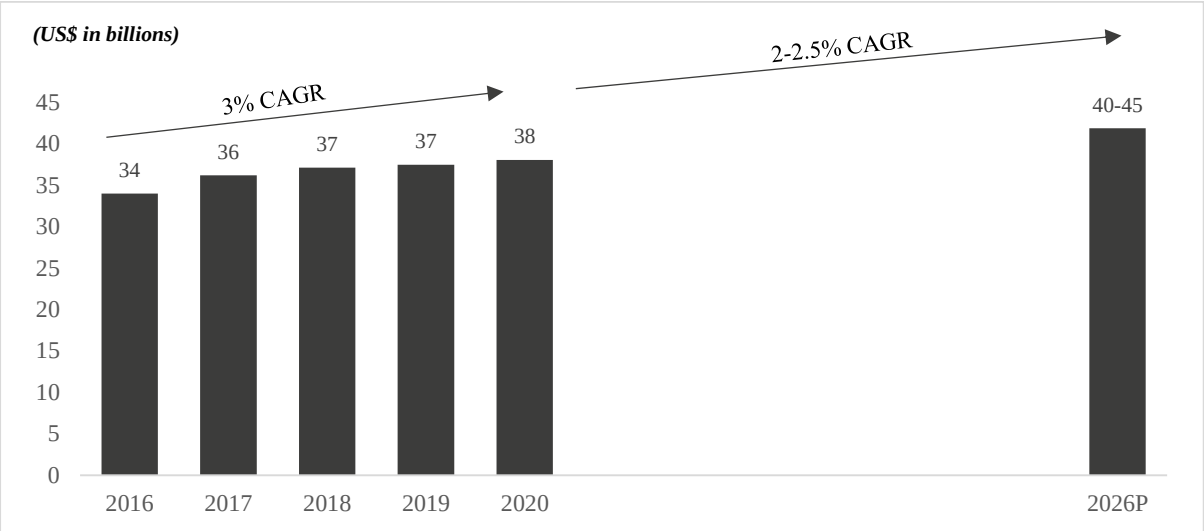


Source: Mordor Intelligence, CRISIL Research
P: Projected

The major factors contributing to growth of this market is the growing demand for generics as well as faster approvals for biologics and biosimilars which presents a great potential in the global pharmaceutical market.

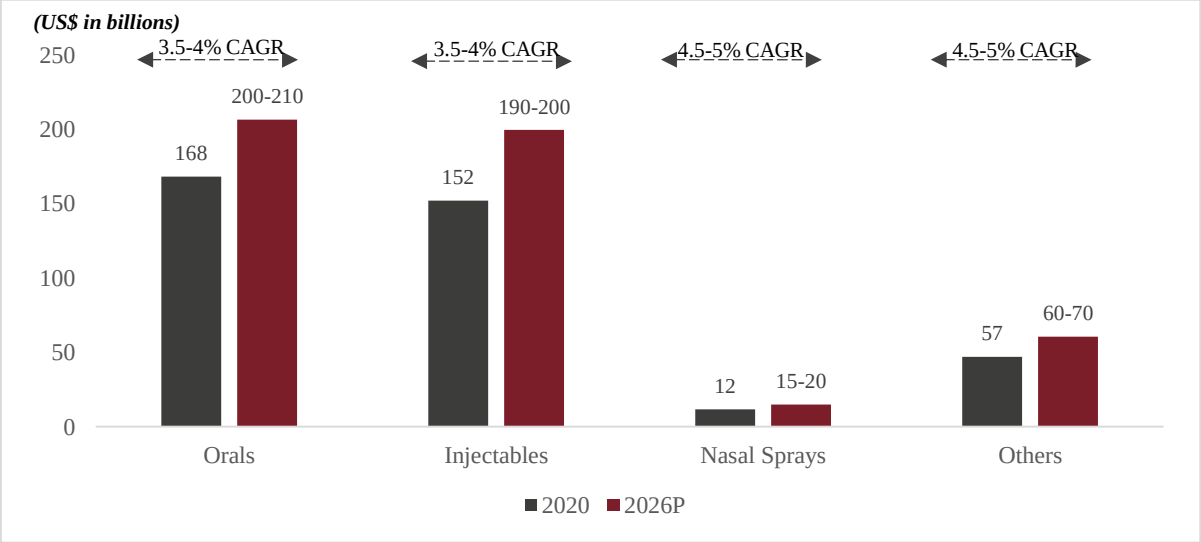
The Canada market is expected to grow at a moderate rate of approximately 2-2.5% CAGR from 2020 to 2026.

Review and outlook on Canada market



Source: Mordor Intelligence, CRISIL Research
P: Projected

Segmentation of Europe and Canada market based on dosage forms



Source: Mordor Intelligence, CRISIL Research
P: Projected

Key growth drivers for the market

Higher spend of healthcare is one of the key driving factors for regulated markets like Europe and Canada

Spend on healthcare in the regulated markets like Europe and Canada is among the highest globally. The share of GDP on total healthcare spend in European countries like Germany and France is one of the highest in the world. As of 2018, Germany spent 11.4% of the GDP on healthcare expenditure while France spent 11.3% of the GDP on the healthcare expenditure. The well-developed pharmaceutical markets in Europe and Canada is one of the major driving factors for the growth of the pharmaceutical sector in these markets which are characterized by well-established healthcare infrastructure, high level of healthcare awareness and a well-established regulatory framework.

Development of generics market is one of the key growth drivers for the Europe and Canada markets

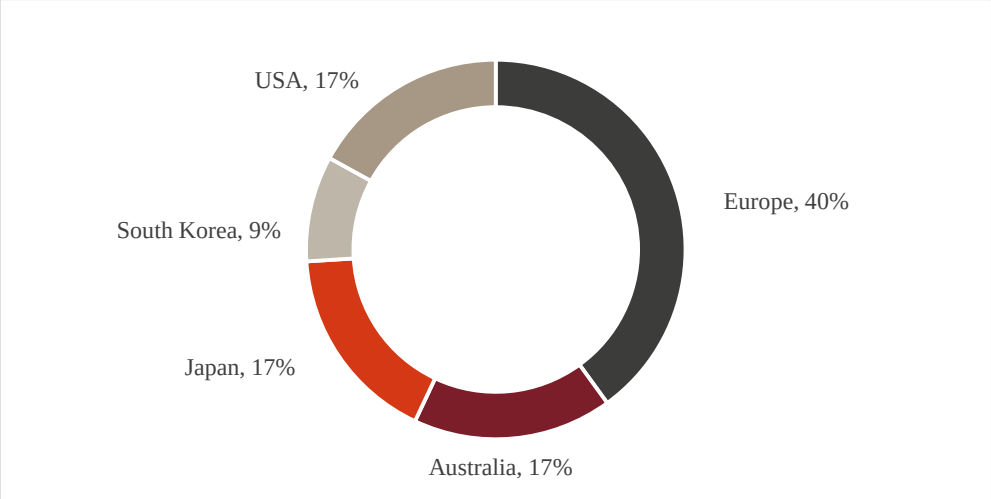
The European generic drugs market (primarily Germany, the UK, France, Italy and Spain) is the second-largest regulated market for generic drugs. Increasing penetration of generic drugs will continue to drive volume growth in the Europe and Canada pharmaceutical markets. Further, lower generic penetration in nations such as Belgium (16.6%), the UK (27%), France (19%) and Germany (31.2%) indicates tremendous untapped potential

for growth of generics. Further, the pro-generic stance of governments in Europe will boost demand for generic drugs in the European pharmaceutical market. Generic molecules (Generic chemical molecules and biosimilar) in Europe and Canada has seen higher growth rate in the past year than the conventional molecules.

Speeding up of biosimilars approval is expected to give boost to the biologics and biosimilar market

The European market has been at the forefront of approving biosimilars at a quick pace, thereby reducing healthcare costs for the consumer as well as the government. The first biosimilar was launched in the European market in 2007, as compared with 2015 in the U.S. market. About 40 biosimilar drugs have been launched in the European market.

Biosimilars approvals in regulated markets as of 2020 (Total 173 approval)

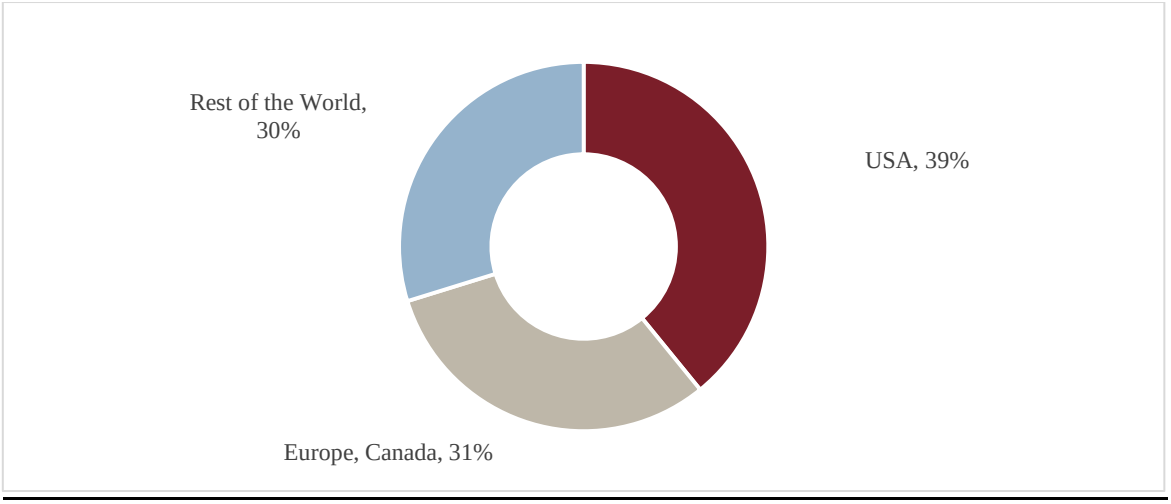


Source: EMA, USFDA, PDMA, CRISIL Research

Rest of the World Market

For analysis of the rest of the world (ROW) market, CRISIL Research has considered the pharmaceutical market which is the global pharmaceutical market excluding Europe, Canada and USA. By this definition, the ROW market consists of some of the key markets like Japan and emerging markets like Brazil, Mexico and China. The growth in this market is majorly developed by the emerging markets mentioned above.

Segmentation of global pharmaceutical market (2020)



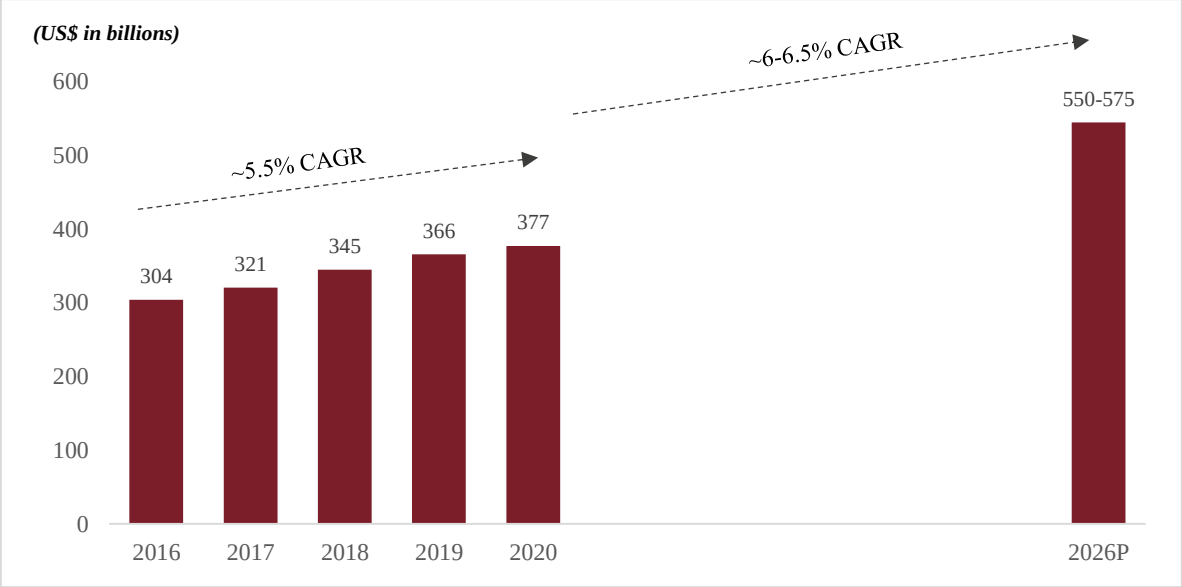
Source: Mordor Intelligence, CRISIL Research

Review and Outlook on ROW Market

ROW market to grow at steady approximately 6.5% from 2020 to 2026

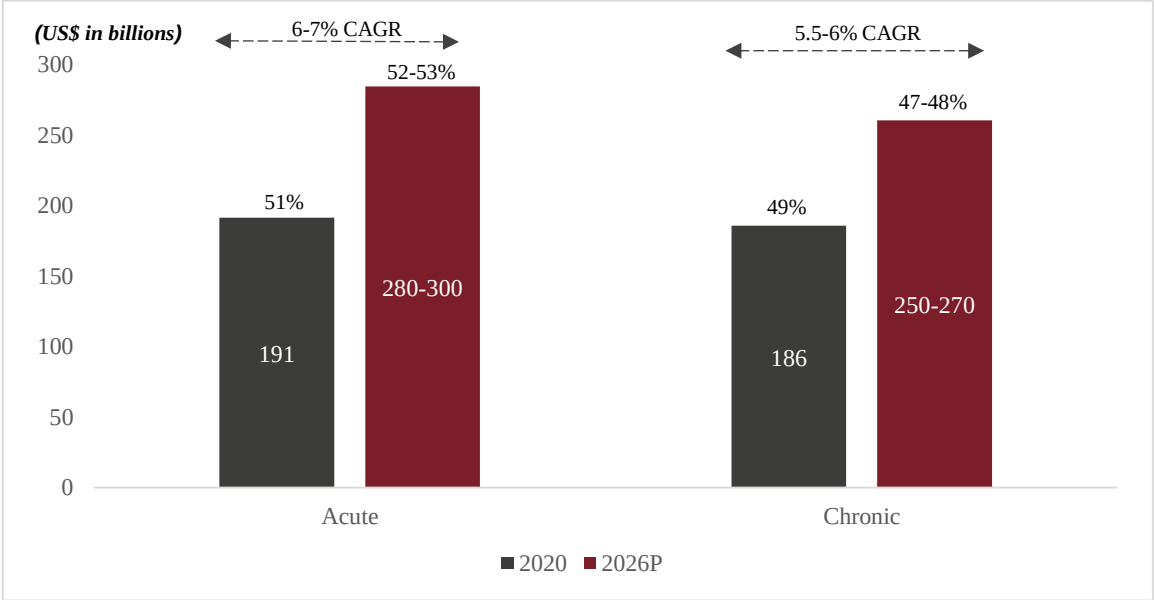
Emerging countries like Brazil, Mexico, and India are at the forefront of this robust growth, fueled by higher out-of-pocket expenditure, favorable demographic trends and a growing and increasingly prosperous middle class.

Review and outlook on ROW market



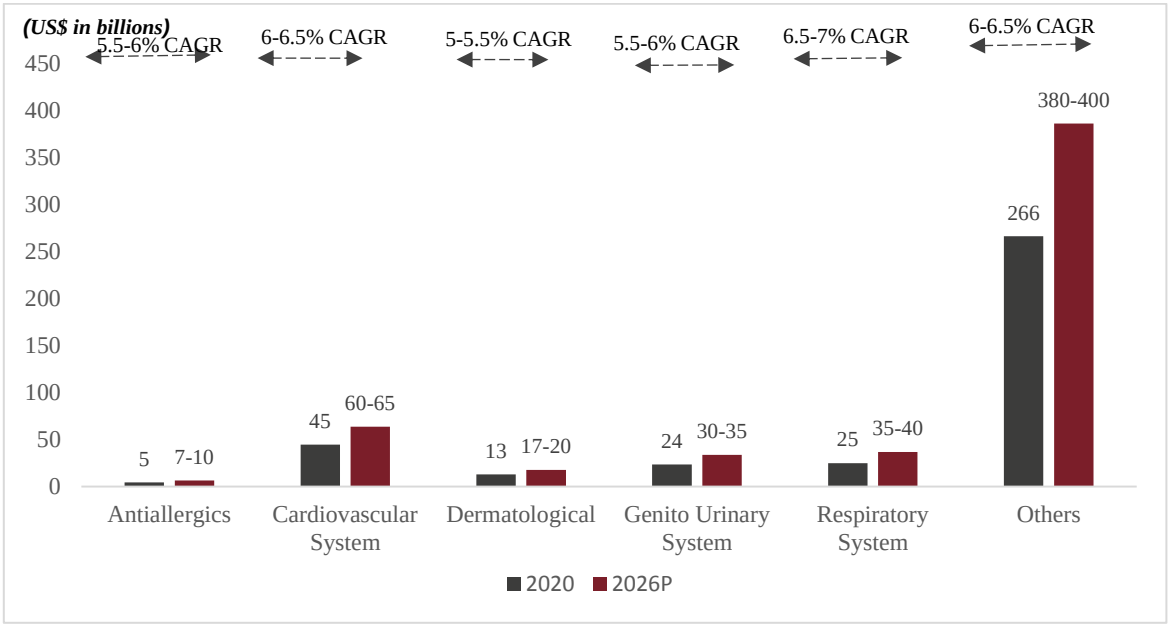
Source: Mordor Intelligence, CRISIL Research
Note: ROW market: Global pharmaceutical market excluding Europe, Canada and USA.
P: Projected

Segmentation of ROW market based on acute vs chronic



Source: Mordor Intelligence, CRISIL Research
Note: P: Projected
Figure at the top indicates percentage share of therapy class in total market

Segmentation of ROW market based key therapies



Source: Mordor Intelligence, CRISIL Research
Note: P: Projected, Others include oncology, pain and analgesic, nutraceuticals, etc.

Recent Trends in ROW Market

Vertically integrated players with differentiated portfolio can have advantage in developing and emerging markets

Raw materials which are active pharmaceutical ingredients (APIs) or bulk drugs are one of the major cost component in the pharmaceutical drugs manufacturing. Players with vertical integration may benefit in such environments as they have the required raw materials available internally for manufacturing finished dosage forms. Vertically integrated players may also benefit from supply chain simplicity and are better placed for supply chain management. Also, the players with differentiated portfolio may gain an advantage as the ability to provide differentiated portfolio with in-house sourcing of raw materials will be a key proposition in these developing and emerging markets.

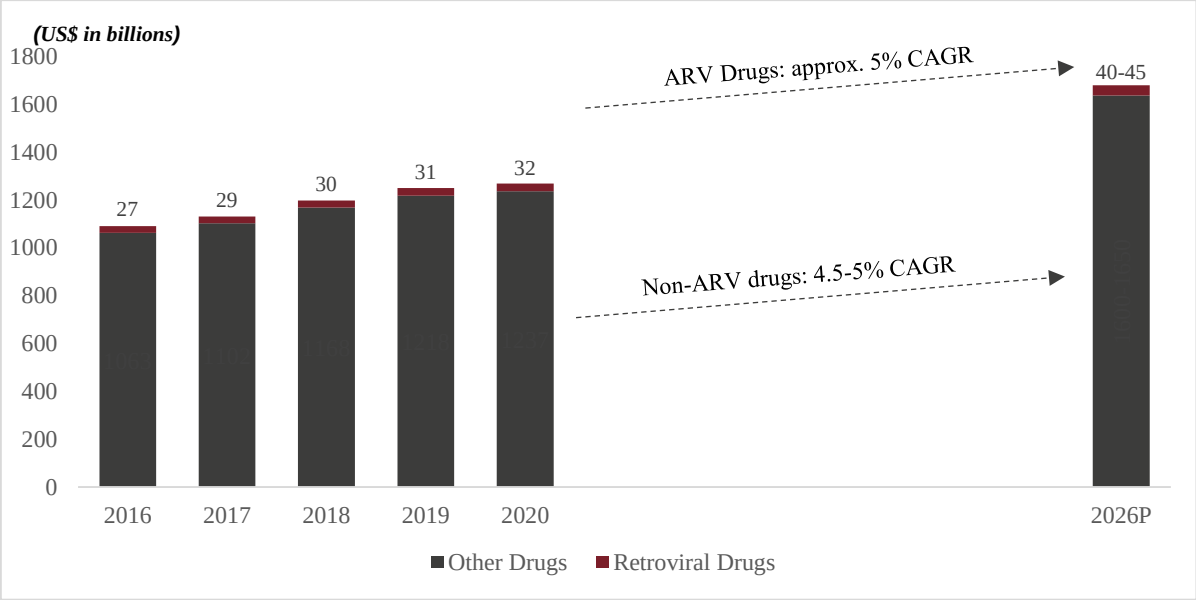
Anti-Retroviral (ARV) Drug Market

Review and outlook on market size

ARV drugs which are drugs used to treat HIV-infection. These medicines are also called as ARV therapy (ART). HIV is treated with ARV medicines which work by stopping the virus from replicating in the body. This allows the immune system to repair itself and prevent further damage. A combination of HIV drugs is used because HIV can quickly adapt and become resistant. Some HIV treatments have been combined into a single pill, known as a fixed dose combination, although these often cost more to prescribe.

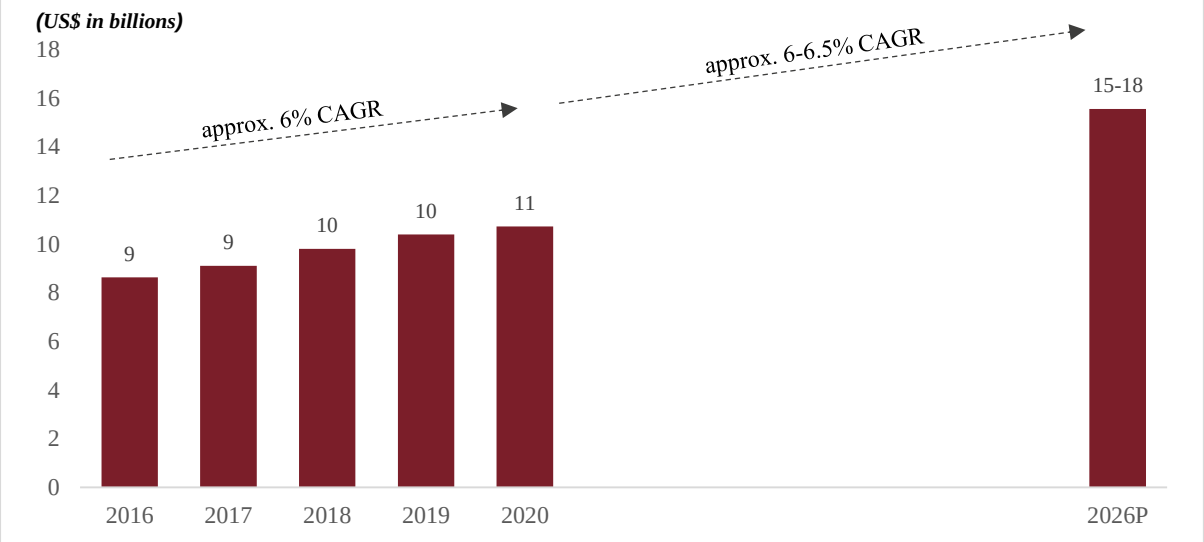
ARV drugs segment to grow at slightly higher rate approximately 5% CAGR as compared to non-ARV segment

Segmentation of Global pharmaceutical market based on ARV and non-ARV



Source: Mordor Intelligence, Pharma Company reports, CRISIL Research
P: Projected

ARV segment – ROW market



Source: Mordor Intelligence, CRISIL Research
P: Projected

Importance of vertical integration and key success factors in ARV segment

In ARV segment, the supply of ARV drugs is done through global tenders issued by global agencies like Global Fund, U.S. President's Emergency Plan for AIDS Relief (PEPFAR) and governments of respective countries. In key markets like USA and Africa, to compete in these tenders, manufacturers need to be very price competitive as well as should have reliable sourcing channels and manufacturing expertise.

Being vertically intergraded for ARV players can provide significant cost advantage especially in the ARV drug segment. ARV manufactures can move both downstream into formulations to improve margins, and upstream into intermediates to cut dependence on single source API providers like China, and ensure reliability of supplies.

Growing shift towards dolutegravir

Dolutegravir, which received FDA approval in 2013, is a second-generation integrase inhibitor that appears to have a high barrier to the development of HIV drug resistance. In clinical trials, dolutegravir was effective both for people living with HIV who had not previously taken HIV therapy and for people who were treatment-experienced, including those for whom first-generation integrase inhibitors were ineffective. Additional advantages of dolutegravir include convenient once-daily dosing, a good safety profile, and a relatively low production cost. Dolutegravir now is included in two of the first-line regimens that the U.S. Department of Health and Human Services medical practice guidelines recommend for adults with HIV, and it was recently added to World Health Organization guidelines as an alternative first-line agent for adults.

Second Line of treatment in ARV segment

For patients who failed first-line therapy, it may be necessary to transfer to second-line therapy in order to suppress HIV viral loads. The cost of second-line drugs is generally higher than that of first-line drugs and it is expected that the absolute number of patients on second-line ART will increase over time.

Players operating in second line treatment may be able to achieve higher margins with specialized single pill treatment with research and development in the second line of treatment and making a suitable pricing strategy according to markets they are distributing to. Also, the international guidelines on ARV therapy such as WHO guidelines on first and second line of treatment shapes the demand and uptake in the ARV market. Traditionally newer ARV particularly in the second line of treatment evolve slowly and are less competitive than the first line of treatment.

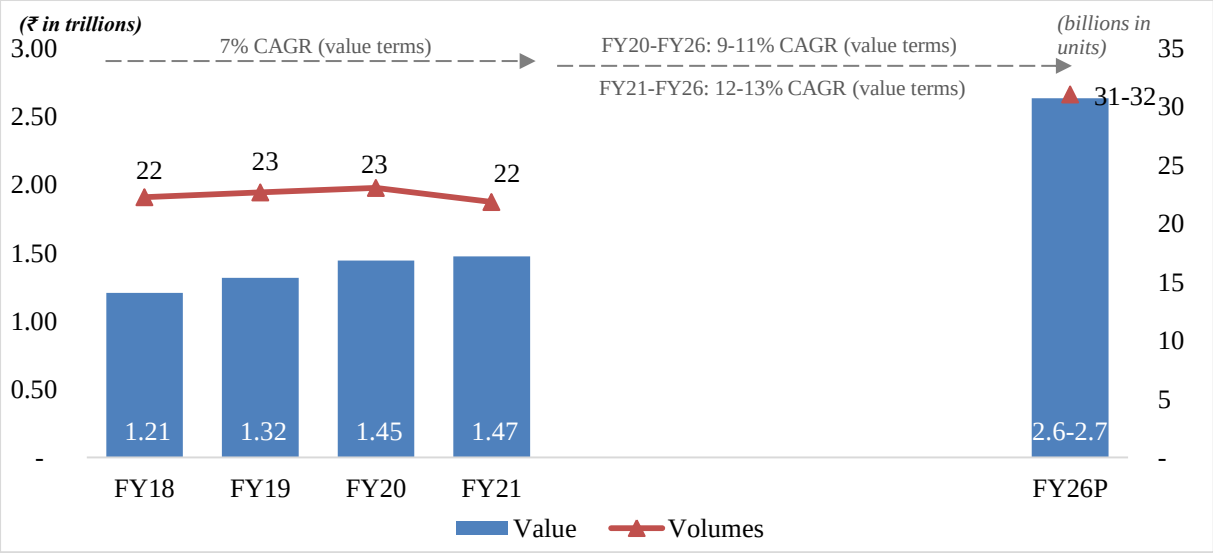
The pricing in second line of treatment becomes critical component for players to achieve optimum profitability. Developing regions have generic versions of medicines while in developed nations the price is a function of patents and licenses. Therefore, players operating in this segment can achieve good margins with expertise in research and development and optimal pricing strategy.

Indian Domestic Pharmaceutical Market

Review and Outlook on Indian Domestic Formulations market

The Indian domestic formulations market (consumption) grew at a healthy rate at 7% CAGR over the last three years from the financial year 2018 to the financial year 2021. Domestic Formulations segment is expected to grow at approximately 9-11% CAGR over the next six years from the financial year 2020 to the financial year 2026 driven by strong demand in generic segment. The domestic formulations demand is expected to reach ₹2.6-2.7 trillion by fiscal 2026.

Trend and outlook on domestic formulations market (in value and volume terms)



Source: AIOCD AWACS, CRISIL Research

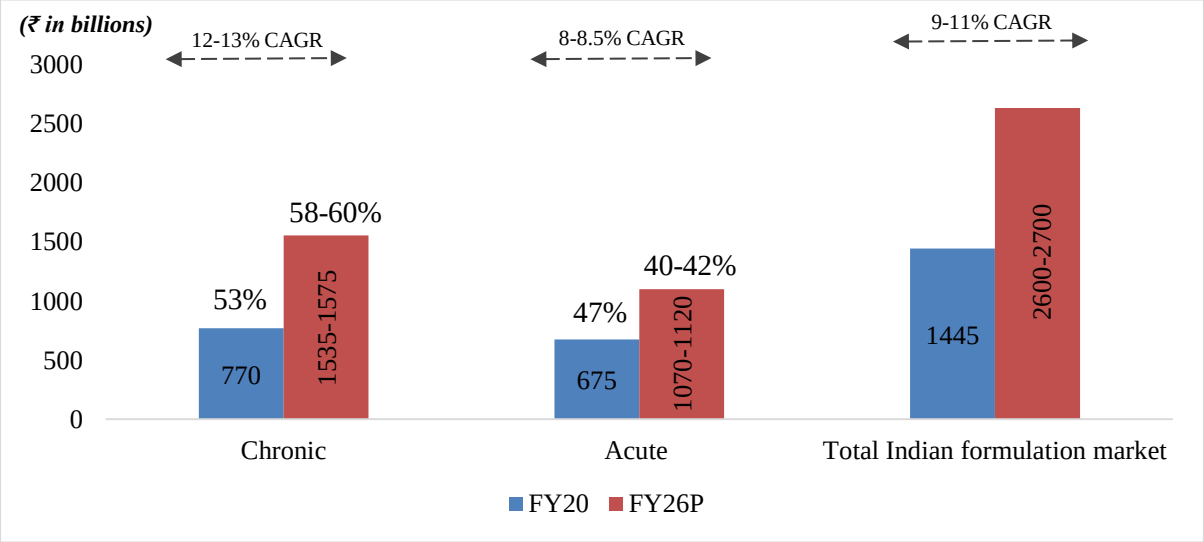
Note: Volume for domestic formulations is arrived at by considering units sold i.e. Strips of tablets, syrup bottles etc. as per AIOCD data. Volume data is represented on the Right hand side axis of the chart.
P: Projected

Some of the key growth drivers for the Indian Pharmaceutical industry are the increasing prevalence of non-communicable diseases like cardiovascular disease, stroke, cancer, diabetes and chronic lung diseases. Also a growing population and, in turn, growing demand for medicine generally, with India expected to become one of the leading countries in the world in terms of spending on medicine over the next few years will fuel the growth of the Indian pharmaceutical market. Along with these factors, favorable initiatives and schemes from the Government of India to encourage companies to manufacture ingredients domestically (PLI scheme) will support the growth of the domestic pharmaceutical industry.

Growth in chronic segment to continue to boost growth in medium term

Rising prevalence of chronic diseases is likely to aid growth in the chronic segment in medium to long term. Further, the rise in the anti-diabetic and cardiac segments would support growth of the domestic industry. Over the period under consideration, chronic therapeutic segments are expected to see a higher growth compared to acute therapeutic segment; while chronic segment is projected to grow at 12-13% CAGR, the acute segment is projected to grow at 8-8.5% CAGR between the financial year 2020 and the financial year 2026.

Segmentation of Indian domestic formulation market based on therapy class



Source: AIOCD AWACS, CRISIL Research
P: Projected
Notes:
(1) Chronic segment includes sub-chronic segment.
(2) Figures at the top of the column Indicates share of therapy class in IPM formulations market.

Therapy-wise trends

As of the financial year 2021, anti-diabetic and cardiac were the largest chronic therapeutic segments catered by the Indian formulations industry, accounting for nearly 1/4th of the market share. By the financial year 2026, these two will continue to remain the largest segments in the Indian domestic formulation market. In the acute segment anti-infectives, gastro-intestinal and nutraceuticals are some of largest therapeutic areas catered in the Indian domestic formulation market in the acute therapy class. Gynecology has also seen the traction in recent years as rise in alertness regarding well-being and health in the Indian female population has resulted in a rise in the demand for improved gynecological therapies.

Segmentation of Indian Domestic formulation market based on key therapies (percentage share)

Therapy Name	FY17	FY21	FY26P	CAGR (FY17 to FY21)	CAGR (FY21 to FY26P)
Vitamins/Minerals/ Nutrients	9%	9%	10%	7.2%	13.4%
Respiratory	7%	7%	8%	4.5%	15.2%
Gastro Intestinal	11%	11%	12%	6.3%	13.8%
Anti-Infectives	14%	12%	11%	2.2%	10.4%
Neuro / CNS	6%	6%	7%	6.9%	14.0%
Gynaecological	5%	5%	5%	4.0%	12.5%
Cardiac	12%	14%	14%	10.2%	13.4%
Anti-Diabetic	9%	10%	12%	11.0%	16.0%
Others	26%	26%	22%	6.0%	8.4%
Total Indian domestic formulation market *(₹ in billions)*	**1,148**	**1,475**	**approx. 2,635**	**6.47%**	**approx. 12-13%**

Source: AIOCD AWACS, CRISIL Research
Note: Others include anti-malarials, anti-neoplastics, blood related, derma, HIV antivirals, hormones, opthal/otologicals, others, pain/analgesics, sex stimulants/rejuvenators, stomatologicals, urology, vaccines.
P: Projected

COVID-19 vaccines to aid growth of Indian formulation exports in the financial year 2022

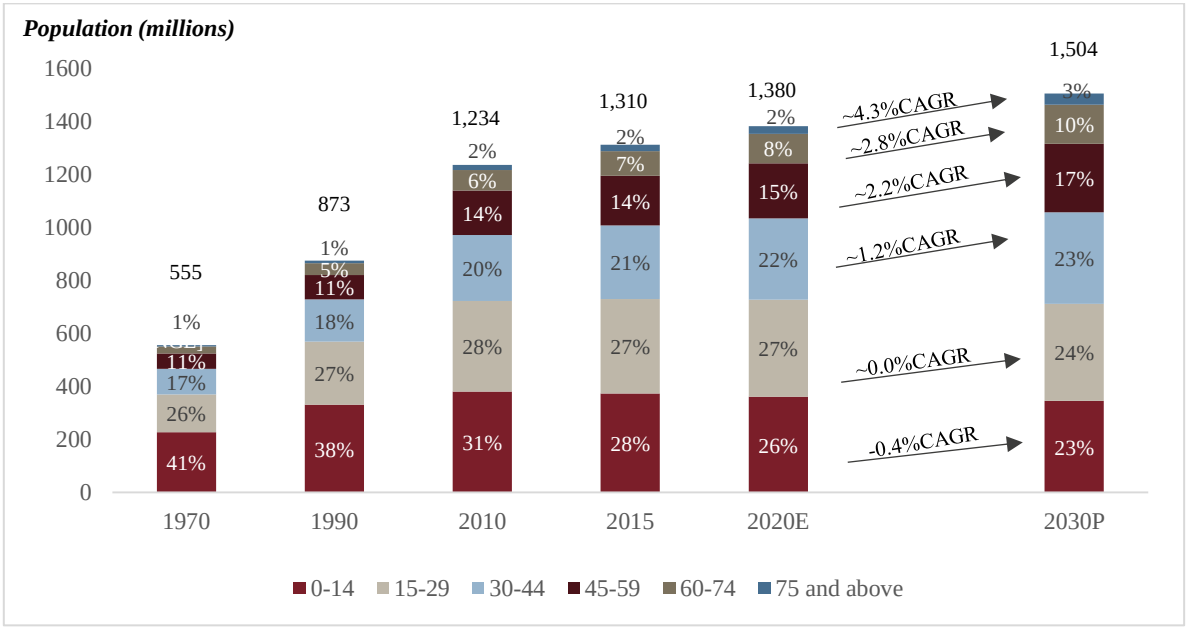
Formulation exports forms a significant part in the Indian pharmaceutical industry along with the domestic formulation industry. India is one of the largest exporters of generic pharmaceutical drugs in the world. India's formulations exports continued on its growth path in the financial year 2021 led by new launches and opportunities in limited competition products, amid reducing pricing pressures in the U.S. market. Although, the COVID-19 pandemic had caused logistic and demand disruption across the world, formulation exports have grown at a robust pace during the financial year 2021. Indian formulation exports have grown at a CAGR of 14.90% from the financial year 2019 to the financial year 2021.

Review of Key Growth Drivers for the Industry

With life expectancy improving and changing demographic profile, healthcare services a must

As of 2011, nearly 8% of the Indian population was of 60 years or more, and this is expected to surge to 12.5% by 2026. However, the availability of a documented knowledge base concerning the healthcare needs of the elderly (aged 60 years or more) continues to remain a challenge. Nevertheless, the higher vulnerability of this age group to health-related issues is an accepted fact.

Trend and outlook on age-group wise segmentation of Indian population



Source: UN population estimates, CRISIL Research
Note: Figures at the top indicate total value of each bar.
P: Projected; E: Estimate

Rising income levels along with strong awareness for health has resulted in people seeking quality healthcare services

India's per capita income, a broad indicator of living standards, clocked approximately 5% CAGR between financial years 2012 and 2020, rising from ₹63,642 to ₹94,954. The growth in per capita income was led by better job opportunities, propped up by overall GDP growth. Moreover, population growth has remained fairly stable at approximately 1% CAGR .With rising income levels and health awareness people are seeking better and quality healthcare services. This includes availing themselves of better hospital services, better medicine and pharmacy services.

Improvement in health insurance penetration in India

Post COVID-19 pandemic there has been a significant change in the customer mindset. The pandemic has driven a sudden realization around the significance of protective investments, particularly when it comes to health and life security. Health insurance has definitely been the key product when it comes to return-based instruments, both from the perspective of securing access to quality healthcare as well as investing in healthcare finances. This is expected to give push to health insurance penetration in India which is likely to transform the health insurance space in the coming few years.

Specialty and complex generics – must have business for the Indian pharmaceutical players

Manufacturers launching complex and specialty drugs and those receiving limited competition drug approvals are expected to enjoy higher growth. R&D expenditure is estimated to remain high as players are expected to continue investing in R&D as they focus on developing niche and complex products.

Biosimilars presents opportunity for Indian players over next five years

Patented biopharmaceuticals, which recorded sales of about $60-70 billion in 2019, are set to expire over the next 5-10 years in the U.S. and Europe. Further, even among the drugs where patents have already expired, the penetration of biosimilars is very low due to regulatory challenges and difficult procedural requirements of all-phase clinical trials. These expiries will present a lucrative opportunity for Indian players to launch biosimilar versions in regulated markets. Compared with a generic chemical molecule, such biopharmaceutical drugs can contribute higher revenue and margin realization.

Government push for schemes such as Jan Aushadhi Pariyojana a step towards increasing generic generics penetration

At 90-95% (of total generics drugs), branded generics (drugs that are off-patent and sold on brand names) comprise a lion's share of the domestic pharmaceutical industry. As branded drugs account for much of the market share, the government has undertaken steps to increase the uptake of unbranded generics. It introduced the Jan Aushadhi Yojana in November 2008 to sell low-cost, unbranded, but quality medicines to all citizens via stores called Jan Aushadhi Kendras.

Ayushman Bharat to support long term growth

Rising lifestyle diseases and growth in insurance penetration (mainly because of Ayushman Bharat) would aid demand for the pharmaceutical sector in the long term.

Ayushman Bharat PM-JAY is the largest health assurance scheme in the world which aims at providing a health cover of ₹5 lakhs per family per year for secondary and tertiary care hospitalization to over 10.74 crores poor and vulnerable families (approximately 50 crore beneficiaries) that form the bottom 40% of the Indian population.

Overview of Opportunities in relation to the Collaboration between Global MNCs and Indian Players for Established / New Molecules

In-licensing

Overview of key associations/partnerships between Indian companies and global MNCs

Indian Company	MNC Partner	Therapy area	Year
Sun Pharma	AstraZeneca	Diabetes	2016
	MSD	Diabetes	2018

Cipla	Novartis Johnson and Johnson Roche	Diabetes, Cardiac and Respiratory Diabetes Oncology	2018-2019 2018-2019 2018 and 2020
Lupin	Novartis Lilly Boehringer Ingelheim LG	Cardiac and Respiratory Diabetes Diabetes Oncology	2016 2016-2017 2016 and 2018 2014
Aurobindo	Gilead	Anti-Viral	2011-2012*
Emcure	Gilead Merck Roche Sanofi Viiv Healthcare	Anti-Viral Anti-Viral Oncology Oncology Anti-Viral	2011-2012* 2021 2012 2014 2015*
Laurus Labs	Gilead	Anti-Viral	2011-2012*
Hetero	Gilead	Anti-Viral	2011-2012*
Zydus Cadila	Gilead	Anti-Viral	2011-2012*
Dr. Reddy's	Amgen	Oncology and Osteoporosis	2016

Source: CRISIL Research, Company Reports

*Note: *: Partnerships via Medicines Patent Pool.*

MNCs are increasingly focusing on partnerships and collaborations to drive access and scale without major investments. MNCs in patented play have used co-marketing as a way to drive growth in the Indian domestic formulation market. MNCs typically look for Indian partners who have efficient and broader marketing and distribution network as well as the proven track record in the therapy area in which the licensing agreement is taking place. Manufacturing and operational expertise as well as the vintage of player are key factors that MNCs usually look for while entering in to an in-licensing agreement with the Indian player.

Review of Competition in the Domestic Formulations Industry

Top 20 companies in Indian Domestic Formulation Industry by MAT sales

No.	Company	MAT sales – domestic formulation *(₹ in millions)*				CAGR FY18-21
		FY18	FY19	FY20	FY21	
1.	**Sun pharma Industries Ltd.**	102,972	107,381	117,244	120,466	5.37%
2.	**Abbott India Ltd.**	74,685	82,430	89,991	93,512	7.78%
3.	**Cipla Ltd.**	57,509	62,749	67,730	72,792	8.17%
4.	**Cadila Healthcare Ltd (Zydus cadila)**	49,235	53,569	60,370	62,616	8.34%
5.	**Mankind Pharma Ltd.**	49,497	53,193	60,830	62,615	8.15%
6.	**Lupin Ltd.**	42,739	48,908	54,907	55,971	9.41%
7.	**Alkem Laboratories Ltd.**	40,718	45,115	50,479	51,242	7.96%
8.	**Torrent Pharmaceuticals Ltd.**	35,797	39,577	44,315	46,125	8.82%
9.	**Intas pharmaceuticals Ltd.**	33,119	38,163	43,009	44,743	10.55%
10.	**Dr. Reddy's Laboratories Ltd.**	36,383	38,604	42,649	42,695	5.48%
11.	**Macleods Pharmaceuticals Ltd.**	33,700	36,910	41,352	42,017	7.63%
12.	**Emcure Pharmaceuticals Ltd.**	30,172	32,856	37,514	40,686	10.48%
13.	**Aristo Pharmaceuticals Pvt. Ltd.**	28,148	30,863	37,608	40,180	12.59%
14.	**GlaxoSmithKline Pharmaceuticals Ltd.**	34,994	37,067	40,638	38,336	3.09%
15.	**Glenmark Pharmaceuticals Ltd.**	25,902	29,155	32,404	37,329	12.95%
16.	**Pfizer Ltd.**	28,255	30,125	33,393	35,032	7.43%
17.	**Sanofi India Ltd.**	27,201	30,024	32,376	33,214	6.88%
18.	**USV Pvt.Ltd.**	23,648	25,878	28,391	30,355	8.68%
19.	**Micro Labs Ltd.**	20,843	22,774	25,157	25,661	7.18%
20.	**Ipca Laboratories Ltd.**	15,498	18,987	20,879	23,200	14.39%
	Indian Domestic Formulation market	**1,208,026**	**1,317,979**	**1,445,172**	**1,474,828**	**6.88%**

Source: AIOCD AWACS, CRISIL Research

Notes:

(1) Sun Pharma Industries Limited includes sales under Sun and Ranbaxy, Abbott India Limited includes sales under Abbott India Limited, Abbott HC and Novo, Alkem Laboratories Limited includes sales under Alkem Laboratories Limited, Cachet and Indchemie, Emcure Pharmaceuticals Limited includes sales under Emcure Pharmaceuticals Limited and Zuventus.

(2) Revenue numbers are India domestic formulation sales.

Key observations:

- Emcure Pharmaceuticals Limited ("**Emcure**") is one of the leading Indian pharmaceuticals company engaged in developing, manufacturing and marketing of range of pharmaceutical products across various therapeutic areas. Emcure is ranked 12th in the Indian domestic formulation industry with MAT sales of ₹40,686 million for the financial year 2021.

- Emcure ranked 10th for monthly ranking in Indian domestic pharmaceutical market for March 2021 domestic formulation sales reporting sales of ₹400 million in March 2021.

- Emcure ranked 3rd for being the fastest growing company among the top 20 domestic formulation players, registering a healthy MAT sales growth of 8.5% in the financial year 2021. The company also registered a robust growth of 14.2% in fiscal 2020 and ranked 3rd for being the fastest growing domestic formulations player among the top 20 companies.

Market share and rank for top 20 players in the Indian domestic formulation market

	Company	Market share movement from FY19 to 21 (BPS)	Market share FY21	Rank
1.	**Sun pharma Industries Ltd.**	2	8.17%	16
2.	**Abbott India Ltd.**	9	6.34%	12
3.	**Cipla Ltd.**	17	4.94%	6
4.	**Cadila Healthcare Ltd (Zydus cadila)**	18	4.25%	5
5.	**Mankind Pharma Ltd.**	21	4.25%	4
6.	**Lupin Ltd.**	8	3.80%	13
7.	**Alkem Laboratories Ltd.**	5	3.47%	14
8.	**Torrent Pharmaceuticals Ltd.**	12	3.13%	9
9.	**Intas pharmaceuticals Ltd.**	14	3.03%	7
10.	**Dr. Reddy's Laboratories Ltd.**	(3)	2.89%	19
11.	**Macleods Pharmaceuticals Ltd.**	5	2.85%	15
12.	**Emcure Pharmaceuticals Ltd.**	27	2.76%	3
13.	**Aristo Pharmaceuticals Pvt. Ltd.**	38	2.72%	1
14.	**GlaxoSmithKline Pharmaceuticals Ltd.**	(21)	2.60%	20
15.	**Glenmark Pharmaceuticals Ltd.**	32	2.53%	2
16.	**Pfizer Ltd.**	9	2.38%	11
17.	**Sanofi India Ltd.**	(3)	2.25%	18
18.	**USV Pvt.Ltd.**	9	2.06%	10
19.	**Micro Labs Ltd.**	1	1.74%	17
20.	**Ipca Laboratories Ltd.**	13	1.57%	8

Source: AIOCD AWACS, CRISIL Research

Acute vs chronic market share for top 15 players as of the financial year 2021

	Company	Acute Therapy Share (%)	Chronic Therapy share (%)
1.	**Intas pharmaceuticals Ltd.**	21.94%	78.06%
2.	**Torrent Pharmaceuticals Ltd.**	24.32%	75.68%
3.	**Lupin Ltd.**	24.80%	75.20%
4.	**Emcure Pharmaceuticals Ltd.**	35.25%	64.75%
5.	**Sun pharma Industries Ltd.**	38.50%	61.50%
6.	**Abbott India Ltd.**	39.50%	60.50%
7.	**Macleods Pharmaceuticals Ltd.**	42.05%	57.95%
8.	**Glenmark Pharmaceuticals Ltd.**	42.41%	57.59%
9.	**Cipla Ltd.**	42.89%	57.11%
10.	**Mankind Pharma Ltd.**	50.97%	49.03%
11.	**Dr. Reddy's Laboratories Ltd.**	52.88%	47.12%
12.	**Cadila Healthcare Ltd (Zydus cadila)**	54.05%	45.95%
13.	**Alkem Laboratories Ltd.**	57.44%	42.56%
14.	**Aristo Pharmaceuticals Pvt. Ltd.**	65.66%	34.34%
15.	**GlaxoSmithKline Pharmaceuticals Ltd.**	69.31%	30.69%
16.	**Indian Domestic formulation market**	47.7%	53.3%

Source: AIOCD AWACS, CRISIL Research

Note: Chronic therapy class also consists revenue from sub-chronic therapy class.

Key observations:

- Emcure has six commercialized biologics products in Indian domestic formulation market. Emcure's brand Elaxim is ranked top-1 in the tenecteplase molecule in high dosage category (30 mg to 50 mg) as per the sales in Indian domestic formulation market in the financial year 2021. Emcure's brand Tenectase is ranked top-1 in tenecteplase molecule in low dosage category (20 mg) as per the sales in Indian domestic formulation market in the financial year 2021. High dosage of tenecteplase molecule is used in the treatment of Acute myocardial infarction(AMI) while low dosage of tenecteplase molecule is used in the treatment of Acute Ischemic Stroke(AIS).

- Emcure's brand Hamsyl is ranked top-1 in pegaspargase molecule in terms of domestic formulation sales in the financial year 2021.

- Emcure is one of the leading players in India in biopharmaceuticals in terms of development of microbial and mammalian based platforms.

Top-5 brands' contribution to each therapy for Emcure (FY2021)

Therapy Name	Top 5 Brands' % Contribution to Therapy Sales
Blood-related	85%
Oncology/Anti-neoplastics	78%
Respiratory	77%
HIV antivirals	75%
Gynecology	73%
Vitamins / minerals / nutrients	71%
Anti-infectives	59%
Pain / analgesics	51%
Gastro-intestinal	50%
Cardiovascular	46%

Source: AIOCD AWACS, CRISIL Research

Key observations:

- Emcure has presence in 19 of the top 20 largest molecules sold (highest revenue generating molecules) in Indian domestic formulation market as of the financial year 2021

- Emcure has presence in 7 of the top 10 highest growing molecules (CAGR growth of molecules with sales of greater than ₹5000 million from the financial year 2017 to the financial year 2021) in the Indian Domestic formulation market

- Emcure has presence in the Cidofovir molecule which was approved in India in January 2020 for the treatment of CMV retinitis in adults with acquired immune deficiency syndrome (AIDS) and without renal dysfunction.

NLEM-2015 Exposure of top-20 players in Indian domestic formulation industry

	Company	FY21 Sales *(₹ in millions)*	FY21 NLEM Sales *(₹ in millions)*	NLEM Exposure as % of total sales *(%)*
1.	**Sun pharma Industries Ltd.**	120,466	16,379	13.6%
2.	**Abbott India Ltd.**	93,512	19,653	21.0%
3.	**Cipla Ltd.**	72,792	17,651	24.2%
4.	**Cadila Healthcare Ltd(Zydus cadila)**	62,616	15,047	24.0%
5.	**Mankind Pharma Ltd.**	62,615	7,491	12.0%
6.	**Lupin Ltd.**	55,971	9,758	17.4%
7.	**Alkem Laboratories Ltd.**	51,242	13,049	25.5%
8.	**Torrent Pharmaceuticals Ltd.**	46,125	4,455	9.7%
9.	**Intas pharmaceuticals Ltd.**	44,743	8,202	18.3%
10.	**Dr. Reddy's Laboratories Ltd.**	42,695	7,746	18.1%
11.	**Macleods Pharmaceuticals Ltd.**	42,017	7,984	19.0%

12.	**Emcure Pharmaceuticals Ltd.**	40,686	6,021	14.8%
13.	**Aristo Pharmaceuticals Pvt. Ltd.**	40,180	8,141	20.3%
14.	**GlaxoSmithKline Pharmaceuticals Ltd.**	38,336	9,777	25.5%
15.	**Glenmark Pharmaceuticals Ltd.**	37,329	4,630	12.4%
16.	**Pfizer Ltd.**	35,032	4,004	11.4%
17.	**Sanofi India Ltd.**	33,214	7,283	21.9%
18.	**USV Pvt.Ltd.**	30,355	2,522	8.3%
19.	**Micro Labs Ltd.**	25,661	7,357	28.7%
20.	**Ipca Laboratories Ltd.**	23,200	4,891	21.1%

Source: AIOCD AWACS, CRISIL Research

Assessment of Biologics and Biosimilar Market

Overview of Global Biologics and Biosimilar Market

Biopharmaceuticals refer to drugs developed through the application of biotechnology on living organisms/biologics for the treatment of diseases. Traditional chemical pharmaceuticals are used to treat a particular disease or indication, while biologics are used to prevent the occurrence of a particular disease as well as for therapeutic purposes. Biologics are composed of sugars, proteins, nucleic acids or complex combinations of these substances, or may be living entities such as cells and tissues.

Conventional drugs are chemically synthesized and their structures are known, while most biologics are complex mixtures that are not easily identified or characterized. Biologics are obtained through the identification of targets (genes), which are mapped to prevent the occurrence of a disease.

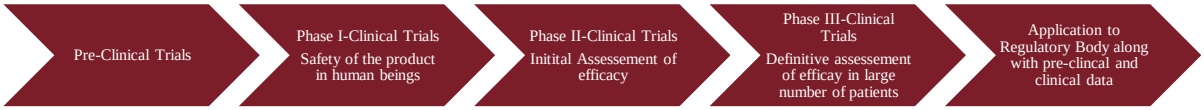
Reference product and biosimilar product

According to USFDA, a reference product is the single biological product, already approved by regulatory authorities, against which a proposed biosimilar product is compared. A reference product is approved based on, among other things, a full complement of safety and effectiveness data. A proposed biosimilar product is compared to and evaluated against a reference product to ensure that the product is highly similar and has no clinically meaningful differences. Whereas a biosimilar product is biological product that is highly similar to and has no clinically meaningful differences from an existing approved reference product.

Development cost and development timelines far greater for biosimilars than conventional generics

The biopharmaceutical new product development process follows an established pattern. Exploratory discovery research identifies a new target of potential therapeutic use, then a number of molecules are developed and optimized, and the best one amongst them is selected to be the product candidate. This product candidate then goes through the pre-clinical study phase where a range of tests are run to characterize the safety and effectiveness of the molecule in treating its target disease. Upon completion of the pre-clinical phase, the drug developer applies to regulatory authorities for approval to commence human clinical trials, which includes three major phases: Phase I tests the safety of the product in human, Phase II provides an initial assessment of its efficacy, and Phase III aims at definitively assessing the efficacy and dosage in a large number of patients. Upon completion of clinical trials, the drug developer is required to gather all pre-clinical and clinical data generated, along with extensive details on the manufacturing process developed for the product of interest, and submit an application to the regulatory authority for market entry. Once granted, the product developer can legally manufacture and sell the product.

Biopharmaceutical drug development stages



Biologics and biosimilar players face the challenge of longer gestation periods due to extended payback periods and uncertainties in marketing the products. It takes approximately 5-6 years for a biopharmaceutical company to commercialize a biosimilar drug.

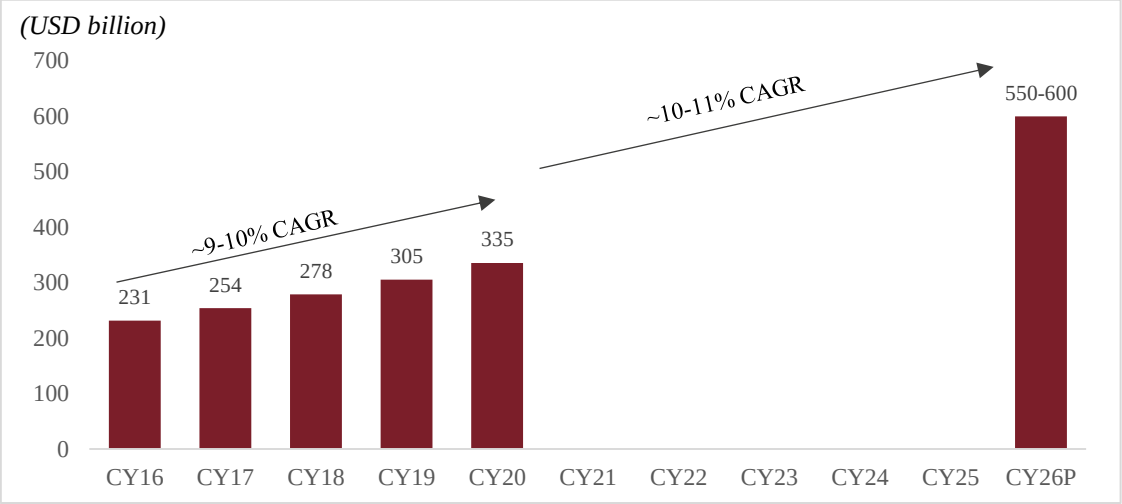
	Molecule Properties	Small Molecule Generics	Biosimilars
1.	Property	Bioequivalent and identical to reference product	Similar to but not identical to reference biologic
2.	Size	Small	Large
3.	Regulatory path	Clear and well defined	Evolving
4.	Manufacturing	Predictable chemical process to make identical copy	Specialized biological process to make similar copy
5.	Approval Requirement	Small clinical trials in healthy volunteers	Large clinical trials in patients
6.	Development cost	US$1-5 million	US$100-200 million
7.	Development Timeline	2-3 years	7-8 years

Source: CRISIL Research

Global biopharmaceuticals segment will see increase in share in pharmaceutical market

The global biopharmaceuticals segment is expected grow at a CAGR of 10-11% over the next five-six years to reach approximately US$600 billion by the year 2026, outgrowing the global formulation market. Higher effectiveness of biologics over conventional drugs has prompted global players to undertake more research and development in the segment.

Review and outlook of biologics and biosimilar market



Source: Industry, CRISIL Research
P: Projected

Review of Some of the Key Molecules in Global Biologics and Biosimilar Market

Q1 MAT sales for some of the key biologics and biosimilar molecules

Molecule Name	Indication/ Use	2019	2020	2021
		(US$ in millions)		
Tenecteplase	Acute myocardial infarction (AMI). and acute ischemic stroke (AIS).	114.8	128.2	147.8
Peg-Asparaginase	Asparignase is indicated in the therapy of patients with acute lymphocytic leukemia	103.5	133.1	68.9
Erythropoetin	Erythropoietin is indicated for the treatment of anemia associated with CRF, including patients on dialysis and patients not on dialysis.	4,364.4	4,296.1	4,128.1
GCSF(Filgrastim)	Granulocyte Colony Stimulating Factor (G-CSF) and Granulocyte/Macrophage Colony Stimulating Factor (GM-CSF) are used widely to promote the production of granulocytes or antigen presenting cells (APC).	1,524.8	1,435.5	1,395.2
Peg-GCSF	Granulocyte Colony Stimulating Factor (G-CSF) and	5,036.4	4,939.9	4,725.8

	Granulocyte/Macrophage Colony Stimulating Factor (GM-CSF) are used widely to promote the production of granulocytes or antigen presenting cells (APC).			

Source: IQVIA, CRISIL Research

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Tenecteplase – For Acute Myocardial Infarction and Acute Ischemic Stroke

Tenecteplase is indicated for use in the reduction of mortality associated with acute myocardial infarction (AMI). Tenecteplase is also used in acute ischemic stroke (AIS). AIS has become the major reason of causing death around the world. Currently, Tenecteplase is majorly used in the treatment of AMI. As a newer generation fibrinolytic agent, the potential of Tenecteplase in treating AIS has been determined in clinical studies and meta-analysis. In India the regulator Drug Controller General of India (DCGI) has approved the use of tenecteplase for treatment of AIS. Gennova Biopharmaceuticals Limited has received approval for marketing the drug in India. Given the high costs associated with the alteplase compared to Tenecteplase developing countries are most likely to adopt Tenecteplase for the treatment of AIS.

Bevacizumab-for wet AMD

Bevacizumab is used in treatment of Metastatic Colorectal Cancer (mCRC), Non-Squamous Non–Small Cell Lung Cancer (NSCLC), Metastatic Breast Cancer (MBC), Glioblastoma and age-related macular degeneration (AMD). AMD is a disease characterized by blurred vision or blindness as a result of the damage to the macula of the retina, is of two types: wet and dry. In wet AMD, abnormal blood vessels grow under the macula and the retina. These abnormal blood vessels may bleed or leak fluid, causing the macula to bulge or lift up from its position, thus resulting in severe vision loss. Avastin (bevacizumab) was first approved by the Food and Drug Administration (FDA) to treat different types of cancer. Its use to treat eye disease is considered an "off-label" use.

Asparaginase portfolio including Peg-Asparaginase

Asparagine is critical to protein synthesis in leukemic cells; some leukemic cells cannot synthesize this amino acid de novo due to the absent or deficient expression of the enzyme asparagine synthase. The E. carotovora-derived form of asparaginase is typically reserved for cases of asparaginase hypersensitivity. Peg-Asparaginase is a drug used with other drugs to treat adults and children with acute lymphoblastic leukaemia. It is used in patients whose cancer has not already been treated or who cannot be treated with asparaginase. Asparaginase is indicated in the therapy of patients with acute lymphocytic leukaemia. This agent is useful primarily in combination with other chemotherapeutic agents in the induction of remissions of the disease in paediatric patients.

Overview of Indian Biologics and Biosimilars Market

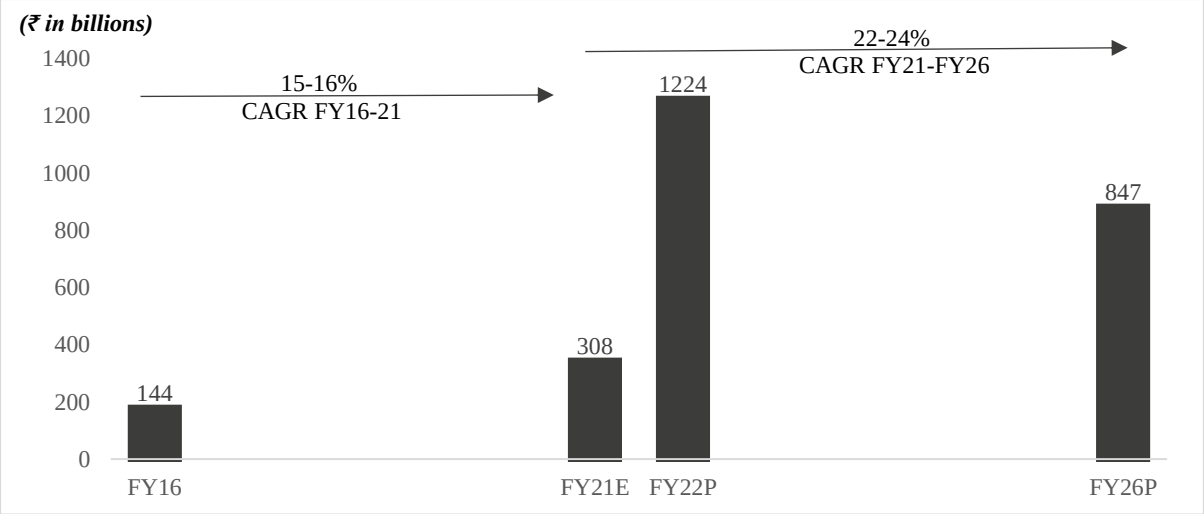
The Indian biotechnology industry can be roughly categorized under traditional vaccine makers and manufacturers focused more on therapeutic biologicals.

Moving from traditional vaccines (BCG vaccines, etc.), the Indian biopharmaceutical industry is now making strides on introducing biosimilar therapeutic proteins (biologically identical copies of original therapeutic proteins) and monoclonal antibodies, in domestic and semi-regulated export markets.

COVID-19 pandemic offers opportunity for biopharma players

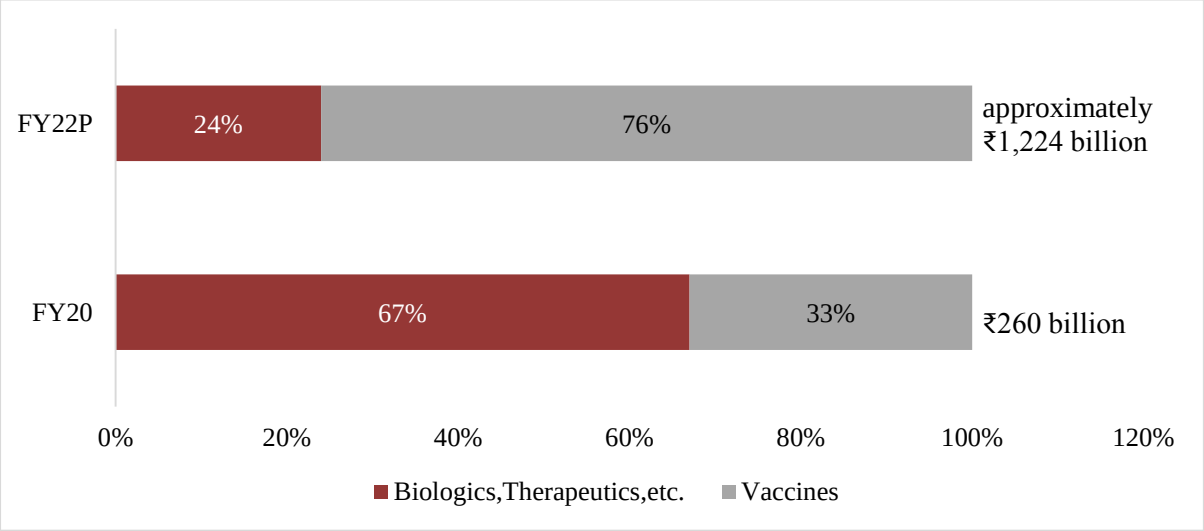
The share of COVID-19 vaccines in the overall vaccine market is expected to be over 65% in the calendar year 2021, driven by rapid vaccination globally. CRISIL Research expects more than 6 billion COVID-19 doses will be administered globally in the calendar year 2021, boosting the overall vaccine market.

Indian biologics and biosimilar market



Source: CRISIL Research
Note-P: Projected, E: Estimate.
The financial year 2022 market includes COVID vaccine market as well.

Vaccines' share in total biopharma market to rise with COVID-19 vaccine launches



Source: Industry, CRISIL Research
Note: The upside from COVID-19 vaccines would be monitored and are likely to change as the market is dynamic with frequent pricing changes and supply additions. Figures at the right of the bar indicate total size of the bar.
P: Projected

Overview of Key Players Operating in Indian Biologics and Biosimilars Market

Product portfolio and pipeline of products of some of the key Indian players in biologics and biosimilars

Company	Pre-clinical/ Development	Clinical	Filed	Approved	Commercialized Products
Biocon	Pertuzumab (Oncology)	NA	Bevacizumab (US and Europe)	Etanercept (Europe)	Trastuzumab (U.S., EU, Canada, Australia) Pegfilgrastim (U.S., Canada, Australia)
	2 Undisclosed molecules (Immunology)		Etanercept (US)		Bevacizumab(India) Adalimumab(EU)

Company	Pre-clinical/ Development	Clinical	Filed	Approved	Commercialized Products
	Glargine 300U		Aspart (US)		Insulin Glargine 100 IU / ml (EU, Australia, Japan)
	Undisclosed molecule in diabetes				Recombinant Human Insulin(India, Malaysia, Mexico)
	Undisclosed molecule in ophthalmology		RHI (US)		
	Undisclosed molecule in bone health				
Dr. Reddy's	-	Rituzimab (US and Europe)	Pegfilgrastim	-	6 biosimilars across oncology and autoimmune diseases marketed in India and emerging markets
Intas	Adalimumab	Denosumab	-	Trastuzumab	Bevacizumab
					Trastuzumab
					Filgrastim
	HCG	Romiplostim			Peg Filgrastim
					Ranbizumab
					Denozumab 60mg/mL PFS
	Omalizumab				Denozumab solution inj.
					Rituximab
					Romiplastin
Lupin	Aflibercept	Pegfilgrastim (US)	-	-	Etanercept (EU, Japan, India)
	Denosumab	Ranibizumab (India)			Filgrastim (India)
	Pertuzumab				peg Filgrastim (India)
Emcure	Asparaginase	Bevacizumab			Tenecteplase for AMI
	Erwinase	COVID-19 mRNA vaccine			Erythroprotien
	Anakinra				Tenecteplase for AIS
	Zoster Vaccine				Filgrastim
	Zika Vaccine				Peg-GCSF
	Rabies Vaccine				Sargamostim
					Pegasparginase
Cadila Healthcare	7 Biosimlars in pipeline various stages of development spanning across oncology, Bone Health, Ophthalmology, respiratory and autoimmune therapy areas				IFNα-2b
					PEG-IFN(Interferon)
					PTH (parathyroid hormone)
					G-CSF(Granulocyte colony stimulating factor)
					PEGG-CSF
					EPO (Erythroprotein)
					Adalimumab
					Trastuzumab
					Bevacizumab
					Rituximab
					Peg-Asparagase
					r-FSH(Follicle stimulating hormone)
Wockhardt	Recombinant Insulin analogues, Recombinant Darbepoetin are at various stages of development				Interferon Alfa(India)
					PEGylated G-CSF(India)

Source: Company Annual reports, Company website, company presentations, CRISIL Research

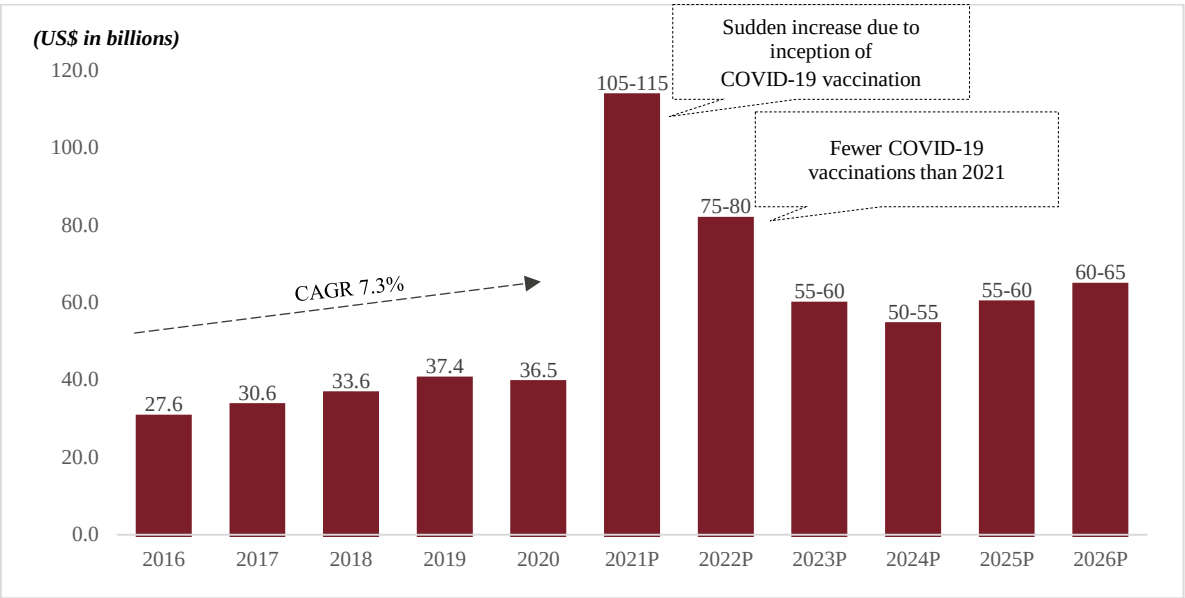
Assessment of Global Vaccine Market

Overview of Global Vaccines Market

The rapid growth in the vaccine market has been due to increasing global spending on immunization programs; effort to curb the predominance of infectious diseases and newer diseases by leveraging increasing technological development; and increased government focus on general healthcare needs of the society, especially in developing countries. As of the calendar year 2020, the global vaccine market was valued at approximately US$36 billion. In the year 2021 global vaccine market is expected to register strong growth owing to COVID-19

vaccine inception in the market. The global vaccine market size is expected to be around approximately US$110 billion in the year 2021 aided by the strong COVID-19 vaccine market.

Global vaccine market size



Source: CRISIL Research
P-projected

mRNA (messenger RNA) Vaccines development to gain traction in the coming future

mRNA vaccines are a new type of vaccine to protect against infectious diseases. To trigger an immune response, many vaccines put a weakened or inactivated germ into human bodies. However, mRNA vaccines instead teach cells how to make a protein or even just a piece of a protein that triggers an immune response inside human bodies. That immune response, which produces antibodies, is what protects humans from getting infected if the real virus enters human bodies.

Researchers have been studying and working with mRNA vaccines for decades. Interest has grown in these vaccines because they can be developed in a laboratory using readily available materials. This means the process can be standardized and scaled up, making vaccine development faster than traditional methods of making vaccines.

Analysis of Vaccine Market for Some of the Infectious Diseases

Zika Virus Vaccine

Zika virus disease is caused by a virus, belonging to the Genus Flavivirus, that is transmitted mainly by Aedes mosquitoes. While mostly causing only mild illness, the virus has in recent outbreaks been associated with severe complications.

Key growth drivers for the zika virus vaccine market

- Increase in incidence of Zika virus disease in countries such as Brazil, Columbia, and Venezuela is projected to boost the growth of the global Zika virus vaccine market. According to the Pan American Health Organization (PAHO), as of January 2018, there were 2,23,477 total confirmed cases of Zika virus in Americas region. Also to be prepared for the epidemic and having approved vaccine will aid the global healthcare systems in averting the COVID-19 like catastrophic event.

- Rise in investment in research & development by major pharmaceutical companies for developing new vaccines is anticipated to fuel the growth of the global market.

- Strong product pipeline for Zika virus disease is expected to boost the growth of the global market in the

coming few years. Candidates such as GeneOne Lifesciences, Takeda Pharmaceuticals, Bharat Biotech and Moderna have their vaccine candidates in various stages of clinical development.

Rabies Vaccine

Rabies is mainly a disease of animals. Humans get rabies when they are bitten or scratched by infected animals. Rabies infects the central nervous system. After infection with rabies, at first there might not be any symptoms. Weeks or even months after a bite, rabies can cause general weakness or discomfort, fever, or headache. As the disease progresses, the person may experience delirium, abnormal behaviour, hallucinations, hydrophobia (fear of water), and insomnia.

Key growth drivers for rabies vaccine market

- Human rabies vaccines are recommended for pre-exposure prophylaxis (PrEP) for individuals at high risk of rabies exposure and for post-exposure prophylaxis (PEP) after a potential exposure to rabies virus. PEP use following an animal bite drives the majority of global rabies vaccine use (97%). The PEP use is expected to drive majority of vaccine growth across the world.

- There has been a regulatory push for rabies vaccine by the global agencies in recent times. In November 2018, the Gavi Alliance Board approved support for human rabies vaccine for PEP beginning in 2021. This will push to improve rabies programs, including switches to administration method and regimens that use much less vaccine, will have a significant impact on the market dynamics.

Zoster Vaccine

Shingles is caused by varicella zoster virus (VZV), the same virus that causes chickenpox. After a person recovers from chickenpox, the virus stays dormant (inactive) in their body. The virus can reactivate later, causing shingles. Shingles is a painful rash that develops on one side of the face or body. Other symptoms of shingles can include fever, headache, chills and upset stomach.

Key growth drivers for Zoster vaccine market

- Because of the great economic and public health burden caused by herpes zoster and PHN, all immunocompetent adults aged 50 and older should are made aware of the importance of receiving and completing the vaccine series. Thus rise in awareness and importance of vaccination against zoster virus is expected to drive the growth of the market.

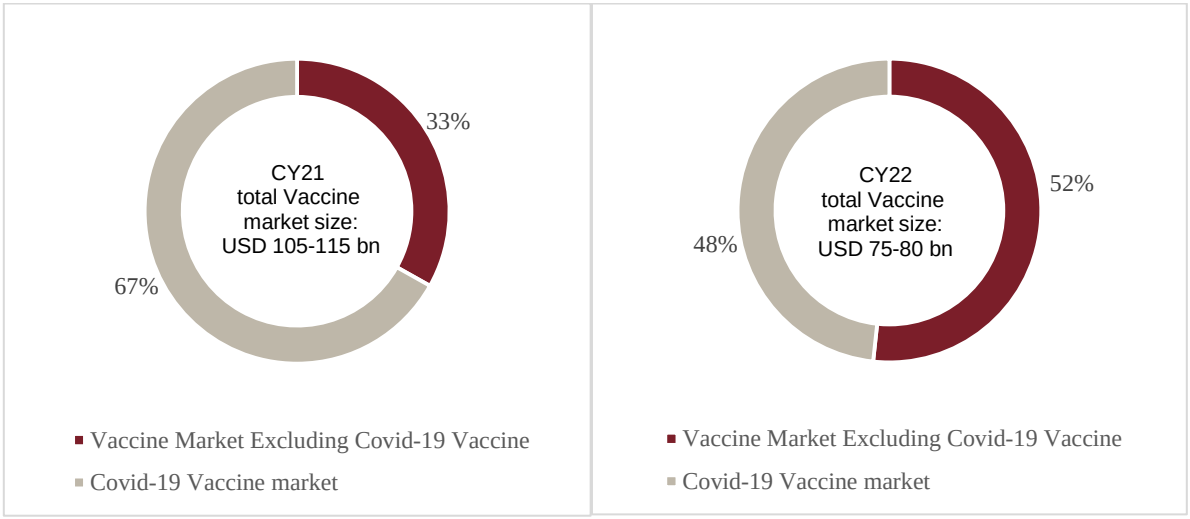
- Rise in investment in research & development by major pharmaceutical companies for developing new vaccines and faster approvals by regulatory authorities.

Impact of COVID-19 on Vaccine Industry and Changes in Overall Industry Dynamics

Vaccine Market to Grow Approximately 190% in 2021 on Account of COVID-19 Vaccine Development

The vaccine market stood at US$36.5 billion in the calendar year 2020, which included a small portion of COVID-19 vaccines administered towards the end of the year. The market logged a CAGR of 7.3% from calendar year 2016 to 2020, and is expected to expand at a 9.1% CAGR from calendar year 2020 to 2026, with a sudden rate change in the calendar year 2021.

Share of COVID-19 vaccines in overall vaccine market



Source: CRISIL Research

mRNA Platform One of the Sought After for Vaccine Makers to Develop COVID-19 Vaccine

Overview of the types of vaccine candidates against COVID-19

No.	Vaccine type	Mechanism features	Development and production features
1.	Live-attenuated vaccines	Elicit strong immune response, the protection is long-lasting, causes reactogenicity	Product development and manufacturing process is highly established but requires handling live virus
2.	Inactivated vaccines	Less reactogenicity, also weaker immune response than live-attenuated vaccines, requiring multiple dosages and adjuvants	Product development and manufacturing process is highly established but requires handling live virus
3.	Recombinant protein-based and vector-based vaccines	Safe, induce a precise immune response, weak immunogenicity, and may require the addition of adjuvants	Epitope selection, antigen design, and vehicle development are not straightforward. Some new-generation vaccine types were not produced on large scale before.
4.	Trained immunity-based vaccine	May boost the innate immunity against a wide range of infectious agent, the efficacy, and mechanisms are still under study	Current available across the world, but each country has its version. Not the traditional specific adaptive immunity-inducing vaccine.
5.	m-RNA	mRNA encoding target antigen (may be complexed with lipid- or polymer-based nanoparticles)	Easier to design. Induces strong immune response. Rapid manufacture. Requires mRNA to be encapsulated otherwise unstable under physiological conditions.

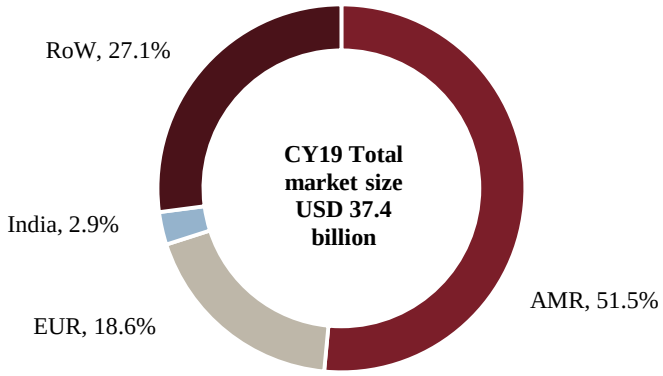
Source: U.S. National Library of Medicine National Institutes of Health, CRISIL Research

The mRNA vaccine is the newest generation of vaccines in which all components can be produced via chemical synthesis. Since antigen expression from mRNA is a transient process, the risk of host DNA integration is negligible. The elimination of using live materials is an advantage from a quality control standpoint and allows quick product switching in manufacturing facilities. This is because different proteins differ only in the sequence of the RNA molecules, which can be easily modified in the solid phase synthesis process. Being fully-synthetic also eliminates the risk of disease transmissions from the manufacturing facility, especially for high-risk pathogens like Ebola.

Going forward more and more pharmaceutical companies and partners are expected to employ the mRNA technology for development of COVID-19 vaccine especially after the success of the Moderna and Pfizer vaccines across the world. Given its commercial benefit, mRNA COVID-19 vaccines are a viable option for mass production and distribution of vaccines among the mass population across the globe. Gennova Biopharmaceuticals Ltd. is the first pharmaceutical company in India to develop mRNA vaccine platform to be launched in India. Emcure had majority stake in Gennova Biopharmaceuticals Ltd. as of March 2021.

Overview of Industry Characteristics and Recent Trends in the Segment

Vaccine market by geography



Source: CRISIL Research

Company profiles of some of the COVID-19 vaccine manufacturers

Name	Moderna	Astra Zeneca	Johnson & Johnson	Pfizer	Novavax	Sinovac	Gamaleya	Emcure (Gennova Biopharmaceuticals Limited)	Cadila Healthcare
Headquarters	US	UK	US	US	US	China	Russia	India	India
Ownership type	Public	Public	Public	Public	Public	Listed on NASDAQ but not traded	Private	Private	Public
Planned production for 2021 (doses in million)	800	2100	1,000	3000	580	1,750	390	NA	100*
Major orders (doses in million)	EU: 310 US: 300	Covax: 721 US: 300 EU: 300	EU: 200 US: 100 Covax: 200	EU: 500 US: 300	Covax: 900 US: 110	Brazil: 100	India: 100	India: 60**	NA
Product offerings	mRNA-1273. This is an RNA-based vaccine consisting of the modified RNA-encoding spike protein of COVID-19	AZD1222	It is a nucleic acid-based vaccine, which is the first single-shot vaccine for COVID-19	It is an mRNA-based COVID-19 vaccine	NVX-CoV2373	CoronaVac	Based on the human adenovirus vector-based platform	It is an mRNA-based COVID-19 vaccine	Plasmid DNA Vaccine
Current vaccine status	Approved	Approved	Approved	Approved	Yet to be approved	Approved	Approved	Yet to be approved	Yet to be approved
Supplier to COVAX (doses in million)	NA	170	00	40	NA	NA	NA	NA	NA

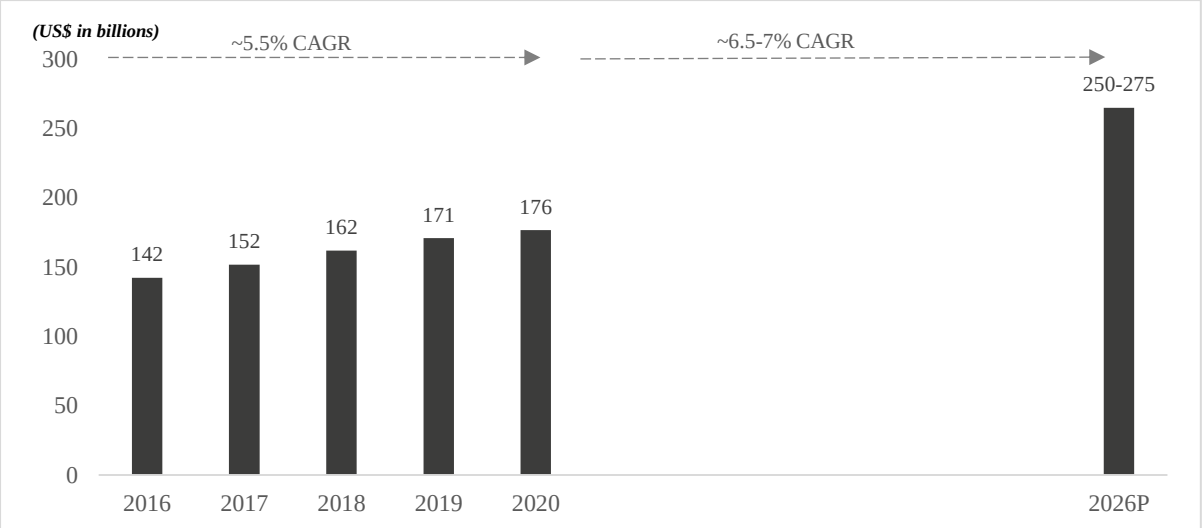
Source: CRISIL Research
*Note: NA: Not available; **The major orders figure for Gennova Biopharmaceuticals is as per the press release by the Government of India in May 2021. The vaccine developed by Gennova Biopharmaceuticals is under Phase I clinical trials as of July 2021.*
**-Annual planned capacity*

Assessment Global API Market

Overview of the Global API Market

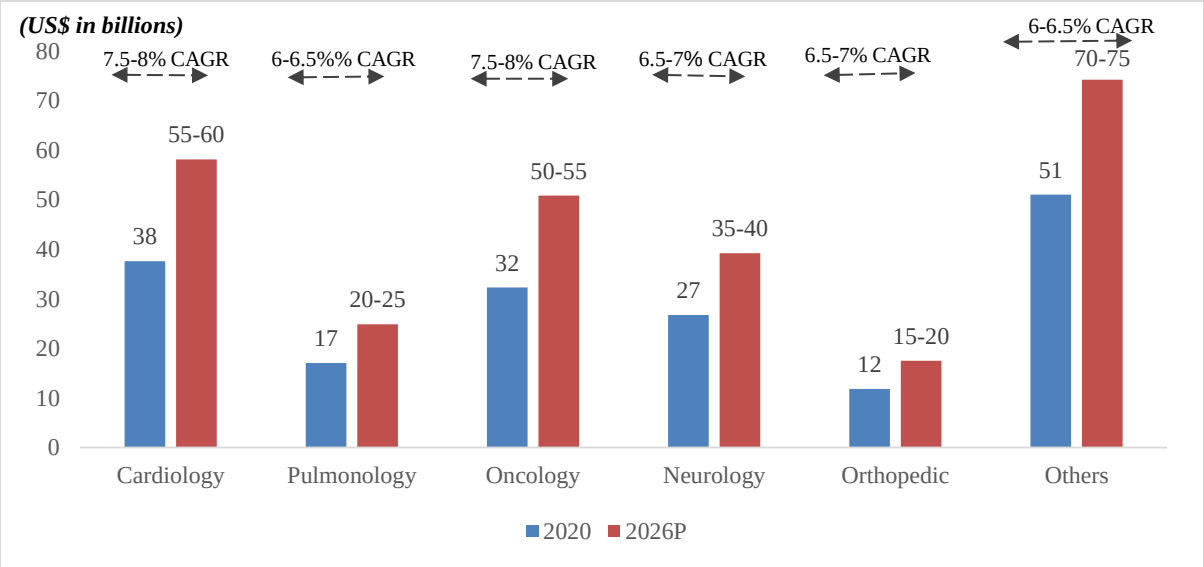
Global active pharmaceutical ingredient (API) market to grow at steady approximately 7% CAGR from 2021 to 2026

Review and outlook of global API market



Source: Mordor Intelligence, CRISIL Research
P: Projected

Segmentation of global API market based on the top-5 therapies



Source: Mordor Intelligence, CRISIL Research
P: Projected

Overview of Key Trends in Global API Market

Global API players focusing on specialty, complex APIs for product differentiation

A focus on specialty products and niche molecules would aid the growth of API players. Players are focusing more on complex generics and limited competition products, which are difficult to manufacture but command a higher premium.

Supply chains for API are diversifying

Supply disruption from China is expected to aid business opportunities for bulk drug players in the global market. Also, recent quality issues related to Chinese APIs have slightly dented the country's image globally, which would in turn boost business for India, the next largest and cost-effective API supplier after China. Some multinational corporations (MNCs) are looking at alternative sources for bulk drug procurement following Chinese issues.

Rise in demand of biopharmaceutical APIs

Biological ingredients are providing the one of the fastest growth in the API sector. Going ahead, the biological API segment is expected to grow considerably on account of the rising technological advancements in biologics, as well as high demand for biopharmaceuticals to treat many diseases.

Review of Indian Government's Initiatives to Increase Country's Self-Reliance

The recent supply disruption in the wake of the coronavirus pandemic has resulted in the government taking proactive steps to boost domestic manufacturing and bring down the costs.

Name of the scheme	Details
Production-Linked Incentive	• Tenure: financial year 2021 to financial year 2030 • Financial outlay: ₹69.4 billion • Scheme applicable for greenfield projects • Financial incentive to be provided for 41 identified key products which cover all 53 identified API's • The net worth of applicant (including that of group companies) as on date of application >=30% of total proposed investment • Maximum number of selected applicants: 136 • The incentive under scheme shall be applicable only on sales of eligible product to domestic manufacturers
Creation of bulk drug parks	• Tenure: financial year 2021 to financial year 2025 • Financial outlay: ₹30 billion • Three bulk drug parks will be supported under the scheme • Maximum grand-in-aid for one bulk drug park will be limited to ₹10 billion • Minimum 50% of land area for bulk drug manufacturing units • 3 states to be selected through challenge method

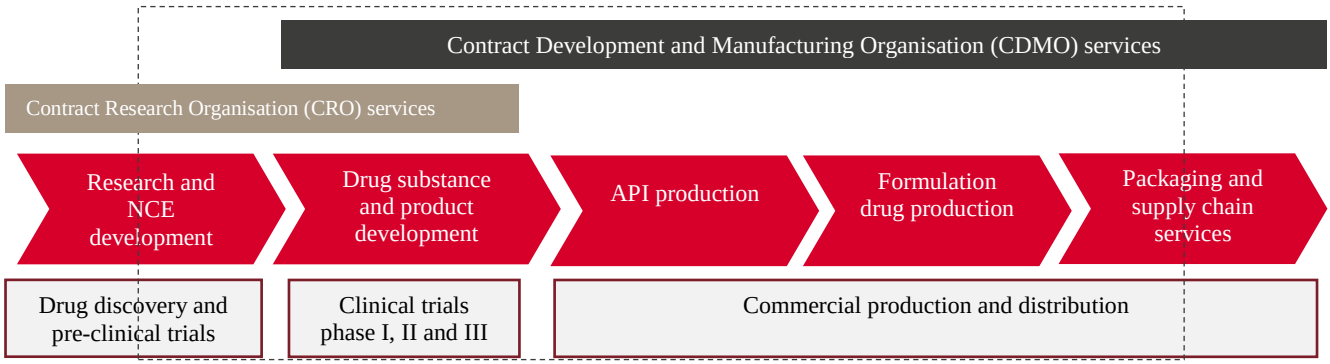
Source: PIB, CRISIL Research

Assessment of Indian CDMO Market

Overview of Indian contract development and manufacturing organizations (CDMO) industry

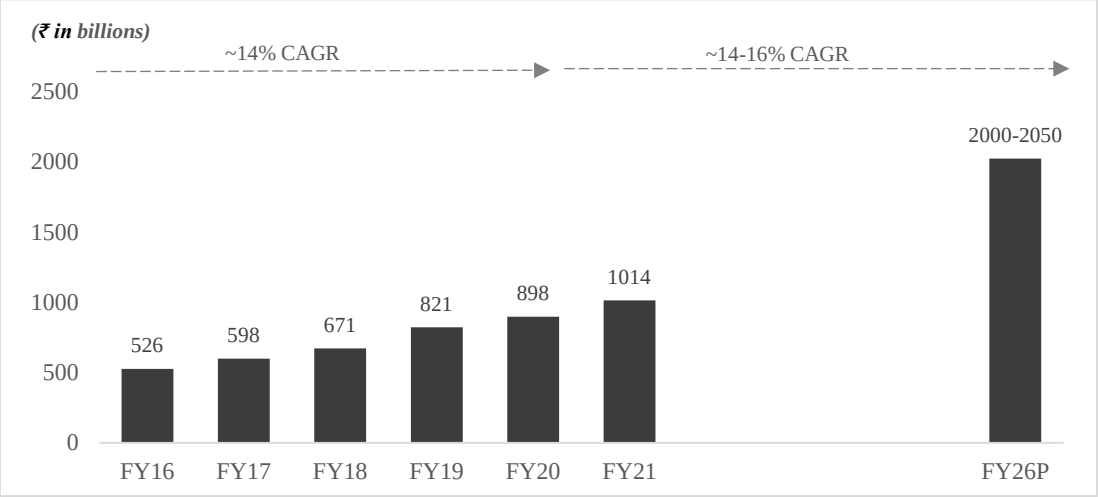
Contract manufacturing refers to the outsourcing of production activities to third-party vendors. Contract manufacturing has picked up in India because of huge availability of skilled personnel, lower production costs and large number of WHO-GMP certified plants. Indian CDMO space has seen traction in the recent times with big pharmaceutical companies preferring to outsource research & development as well as manufacturing activities. Many of the pharmaceutical players in order to move to asset light model have been outsourcing these activities.

Overview of CDMO services



Indian CDMO segment to sustain its strong growth trajectory over the financial years 2021-2026

Review and outlook on Indian CDMO market



Source: CRISIL Research
P- Projected
CDMO market is inclusive of domestic as well as export values of APIs and formulation

Review of Key Growth Drivers for the CDMO Industry

Rising trend of outsourcing among the pharmaceutical industry players

Big pharmaceutical enterprises are developing alternate sources for supplying APIs as well as manufacturing activities for their critical products to ensure minimum supply disruptions. These factors are expected to provide strong growth for CDMOs in the coming years on the back of continued growth in the pharmaceutical industry and companies striving to reduce their fixed costs through outsourcing their manufacturing activities.

End to end service makes CDMOs key partner in pharmaceutical value chain

In the pharmaceutical industry, innovation and speed-to-market are becoming more critical than ever. Pharmaceutical companies are consolidating their supplier base and prefer working with CDMOs that offer services across drug substance and drug product as well as development and manufacturing. In response to this market need, CDMOs continue to expand their capabilities across all phases of development and commercialization to eliminate the need for technology transfer and to serve customers end-to-end. One of the key growth drivers for companies in the CDMO space is their ability to offer reliable integrated services across the drug lifecycle.

Healthy demand-supply gap to aid IPM and in turn boost contract manufacturing segment business

In India growth of formulations and API sector has aided the growth of the CDMO sector. Demand is likely to be healthy for CDMOs in the medium term as new product launches and volume growth in the chronic segment support growth of the domestic formulations industry. In exports markets, semi-regulated markets are chiefly driven by the use of low-cost generic medicines. Further, these markets are characterized by increasing healthcare awareness, rising consumer incomes and a large base of patients in the acute and chronic disease segments, backed by a huge population. The low-cost base, well-developed API industry (and process chemistry skills) and similarity in disease profiles (between India and these markets) will improve the penetration of Indian drugs in these markets.

Reasons for India Emerging as the Key Player in CDMO Segment

Lower costs

The Indian CDMO players can provide comparable quality in development and manufacturing with the peers in other parts of the world.

Cost of manufacturing drugs in India, China, Europe and US

Region/Country	Units
United States	100
Europe	85-90
India	
USFDA approved plants	45-50
Others	35-40
China	35-40

Source: CRISIL Research
Note: Costs Indexed to US.

Infrastructure and technical expertise for manufacturing

Indian CDMO players have built infrastructure that caters to requirement of global pharma companies. This infrastructure mainly includes manufacturing plants. Many of the manufacturing plants established in Indian are good manufacturing practices (GMP) compliant as this is one of the basic compliance required for manufacturing of pharmaceutical products.

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 25 for a discussion of the risks and uncertainties related to those statements and the section "Risk Factors" on page 43 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.

We have included various operational and financial performance indicators in this Draft Red Herring Prospectus, many of which may not be derived from our Restated Consolidated Financial Statements or otherwise be subject to an examination, audit or review by our auditors or any other expert. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision, and should consult their own advisors and evaluate such information in the context of the Restated Consolidated Financial Statements and other information relating to our business and operations included in this Draft Red Herring Prospectus.

Unless otherwise indicated, the industry-related information contained in this Draft Red Herring Prospectus is derived from the CRISIL Report dated August 2021 which has been commissioned and paid for by our Company for an agreed fee for the purposes of confirming our understanding of the industry exclusively in connection with the Offer. We officially engaged CRISIL Research, a division of CRISIL Limited, in connection with the preparation of the CRISIL Report on May 5, 2021. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant Financial Year. The data included in this section includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the Offer), that have been left out or changed in any manner.

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 Proforma Condensed Consolidated Financial Information, which is included in "Proforma Condensed Consolidated Financial Information" beginning on page 332, to reflect the de-merger of our U.S. operations from our Company. For further details, see "History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/undertakings, mergers or amalgamation, and any revaluation of assets in the last 10 years" beginning on page 213, as well as "Risk Factors – Internal Risk Factors – Risks Related to our Business – We have de-merged our U.S. operations and have an indemnity from the resulting entity in relation to investigations by U.S. regulatory authorities and various ongoing civil and regulatory proceedings in the United States. However, we may incur additional expenses and losses in connection with such matters." and "Risk Factors – Internal Risk Factors – Risks Related to our Business – The Proforma Condensed Consolidated Financial Information included in this Draft Red Herring Prospectus to reflect the De-merger of our U.S. operations 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 53 and 72, respectively.

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 Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 43, 143, 250 and 349, respectively.

Overview

We are one of the leading Indian pharmaceutical companies engaged in developing, manufacturing and globally marketing a broad range of pharmaceutical products across several major therapeutic areas. We were ranked as (i) the 12th largest pharmaceutical company in India and (ii) the largest pharmaceutical company in India in the gynecology, blood related and HIV antivirals therapeutic areas, based on sales in India in the Financial Year 2021, according to CRISIL. We are an R&D driven company with a differentiated product portfolio that includes orals, injectables and biologics, as well as an mRNA platform through which we are currently developing a COVID-19 vaccine, that has enabled us to reach a range of target markets across over 70 countries

with a strong presence in Europe and Canada. We are led by a Promoter Group with significant experience in the pharmaceutical industry who are supported by a strong professional management team.

We have experienced rapid growth in recent years and, according to CRISIL, we are one of the fastest growing pharmaceutical companies in India as measured by the increase in our sales of pharmaceutical products in India. According to CRISIL, between the Financial Year 2019 and the Financial Year 2021, our total sales in India grew at a CAGR of 11.28% from ₹32,856.00 million to ₹40,686.00 million, outperforming the Indian pharmaceutical industry's overall growth in sales in India, which grew at a CAGR of 5.78%. We believe that our competitive advantage in the domestic market stems from our established presence in most of the major therapeutic areas, including, gynecology, cardiovascular, vitamins, minerals and nutrients, oncology/anti-neoplastic, HIV and blood-related. Across all such therapeutic areas, we were ranked among the top 10 pharmaceutical companies in India in terms of sales in India in the Financial Year 2021, according to CRISIL. Further, according to CRISIL, we are one of the market leaders in India in the HIV antivirals, gynecology and blood-related therapeutic areas, for which we held a domestic market share of 51.53%, 11.85% and 10.26%, respectively, as of March 31, 2021. Our portfolio is focused towards pharmaceutical products used in chronic (including sub-chronic) therapeutic areas, which we believe are therapeutic areas with the highest growth potential in India. According to CRISIL, for the Financial Year 2021, 64.75% of our sales in India was from chronic therapeutic areas as compared to the 53.26% industry average for pharmaceutical companies in India. For the same period, seven of our brands also featured among the top 300 pharmaceutical product brands in the domestic market, as measured by sales, according to CRISIL. We also continuously expand our therapeutic area including by leveraging our leadership positions in our key therapeutic areas to penetrate adjacent therapeutic areas, and are currently also focusing on the neurology, anti-diabetics and respiratory therapeutic areas. As of June 30, 2021, we had a pan India marketing and distribution presence with a field force of more than 4,600 personnel. Given our strong position in India, a number of multinational companies have entered into co-marketing and in-licensing agreements with our Company for the sale and distribution in India of some of their products.

We also sell our portfolio of differentiated products internationally in over 70 countries. We have established our presence by either developing our own front-end distribution capabilities or focusing on alliances with local and multi-national companies that have an established presence in the therapeutic areas of our focus. Between the Financial Year 2019 and the Financial Year 2021, our total sales outside India grew at a CAGR of 32.80% from ₹14,306.19 million to ₹25,233.45 million, outperforming the Indian pharmaceutical industry's overall growth in sales outside India, which grew at a CAGR of 14.90%, according to CRISIL. We believe that such growth has been driven both organically, including through increasing penetration in these markets by launching new products and growing our existing brands, and inorganically, including through (i) strategic acquisitions of companies, such as of Marcan Pharmaceuticals ("**Marcan**") in Canada and Tillomed Laboratories ("**Tillomed**") in the United Kingdom, which have allowed us to quickly establish distribution channels for our products in Canada and Europe, respectively; (ii) acquisition of rights of pharmaceutical products, such as our acquisition of BiCNU®, a branded oncology product prescribed for treatment of brain tumors, multiple myeloma, Hodgkin's disease and non-Hodgkin's lymphoma, which has allowed us to expand our presence in our existing markets as well as facilitate our entry into new markets; and (iii) in-licensing of pharmaceutical products, such as Atazanavir and Dolutegravir, which has also allowed us to expand our presence in our existing markets as well as facilitate our entry into new markets. We believe our strategic and calibrated approach to marketing has allowed us to deepen our presence in our existing markets as well as, at the same time, expand into other markets in a cost efficient and profitable manner. For instance, in Europe, one of our focus areas is the hospital segment as it is a large market for our complex injectables products, such as Cidofovir, BiCNU and Treprostinil, for which we face relatively lower competition. We have subsidiaries and branch offices in a number of countries that play an important role in liaising and managing our international operations.

We are an R&D driven company and our core strength lies in our ability to research, develop and manufacture in-house niche pharmaceutical products for high-growth therapeutic areas, for which there is limited competition and high barriers to entry. We broadly categorize our range of product offerings into (i) formulations, where we focus on (a) pharmaceutical products in multiple dosage forms and novel drug delivery systems that are capable of greater efficacy and patient compliance, and (b) biopharmaceuticals, where we have successfully developed microbial and mammalian based platforms and have used these to launch multiple niche products domestically and internationally; and (ii) active pharmaceutical ingredients ("**APIs**"), where we believe we are a pioneer in chiral chemistry and have developed strong expertise in complex APIs, antiretrovirals and oncology products. As of June 30, 2021, we had a team of 501 highly qualified scientists and five dedicated R&D facilities. As of the same date, we had been granted 161 patents and had 98 pending patent applications in several countries, and had submitted 98 DMFs for APIs with various regulatory agencies across the world.

We have a strong track record in developing portfolios of differentiated products across several platforms, including chiral molecules, complex APIs, biologics and novel drug delivery systems. We have a portfolio of 11 chiral molecules, six of which we launched for the first time in India, according to CRISIL. Further, according to CRISIL, we are a market leader in iron compounds, which require complex characterization techniques and niche skill-sets to achieve the desired quality. We believe that we have been able to develop and master these techniques and skill-sets, which has been demonstrated by our ability to deliver complex generic iron products, such as iron-sucrose, ferric-carboxymaltose and ferrous ascorbate to our customers. According to CRISIL, we are also one of the leading players in biopharmaceuticals in India. Through our development of our own microbial and mammalian based platforms, we have a portfolio of six commercialized and in-house manufactured biologics and our biologics brands, Elaxim, Tenectase and Hamsyl, were each ranked 1st in our domestic market for the Financial Year 2021, in terms of sales in India for their respective molecule, according to CRISIL. According to CRISIL, we were the first to domestically launch the biosimilar for Tenecteplase, commonly used for acute myocardial infraction, and the biosimilar for Pegylated-asparaginase, commonly used for treating patients with leukemia. We also hold the global patent for use of Tenectaplase to treat Acute Ischemic Stroke as a second indication, for which we have conducted clinical trials and received marketing authorization in India. Further, according to CRISIL, we are the first Indian pharmaceutical company to have developed an indigenous mRNA platform. We are in the process of developing an mRNA COVID-19 vaccine, for which we benefit from funding from the Government of India, and have submitted the interim Phase I clinical trials data and the Phase II and Phase III protocol for the vaccine to the CDSCO. We are also in development stages for three other vaccines on our mRNA platform, for Zoster, Zika and Rabies.

We have 14 manufacturing facilities across India. Our facilities are capable of producing pharmaceutical and biopharmaceutical products of a wide range of dosage forms, including oral solids, oral liquids, injectables including lipid, liposomal, lyophilized injectables, biologics, vaccines and complex APIs, including chiral molecules and cytotoxic products. Our facilities have obtained approvals from various regulatory bodies including, among others, the USFDA, MHRA (United Kingdom), Health Canada and EDQM (Europe). Further, our ability to manufacture our own APIs has allowed us to attain a significant degree of vertical integration, allowing us to source APIs in a cost effective manner, ensure quality and security of availability of an essential raw material and protect our intellectual property.

We focus on building quality into our products through compliance with global regulatory standards as well as local and state laws. We are also focused on sustainability in our operations through meaningful interventions in environment management, safety initiatives in our operations and occupational health of our workforce, and have undertaken various initiatives relating to energy efficiency, renewable energy and water conservation to reduce our carbon footprint. We endeavor to implement regular measures to manage and mitigate our impact on the environment through responsible business practices. Furthermore, we strive to ensure the well-being and development of our local communities by contributing in the areas of education and healthcare. Our corporate social responsibility includes focused initiatives towards the betterment of society.

We have an established track record of delivering strong financial performance.

- For the Financial Years 2021, 2020 and 2019, our restated revenue from operations was ₹60,564.15 million, ₹50,485.54 million and ₹47,171.83 million, respectively, of which 40.89%, 45.40% and 43.41%, respectively, was attributed to sales in India, and 59.11%, 54.60% and 56.59%, respectively, was attributed to sales outside India. For the same periods, our restated profit for the year was ₹4,185.94 million, ₹1,006.10 million and ₹2,029.68 million, respectively, our restated profit after tax margin was 6.87%, 1.96% and 4.21%, respectively, our restated return on equity ratio was 17.68%, 5.07% and 10.72%, respectively, and our restated return on capital employed was 22.64%, 11.67% and 14.85%, respectively. For the same periods, our Adjusted EBITDA and Adjusted EBITDA margin as per our Restated Consolidated Financial Statements were ₹12,673.63 million and 20.80%, ₹7,862.45 million and 15.32%, and ₹8,822.26 million and 18.32%, respectively.

- For the Financial Years 2021, 2020 and 2019, our proforma revenue from operations was ₹50,334.74 million, ₹40,172.09 million and ₹35,135.54 million, respectively, of which 49.87%, 57.98% and 59.28%, respectively, was attributed to sales in India and 50.13%, 42.02% and 40.72%, respectively, was attributed to sales outside India. For the same periods, our proforma profit for the year was ₹6,072.52 million, ₹1,621.73 million and ₹610.65 million, respectively, our proforma profit after tax margin was 11.98%, 3.99% and 1.73%, respectively, our proforma return on equity ratio was 40.54%, 18.04% and 7.79%, respectively, and our proforma return on capital employed was 32.40%, 18.98% and 11.66%, respectively. For the same periods, our Adjusted EBITDA and Adjusted EBITDA margin

as per our Proforma Condensed Consolidated Financial Information were ₹12,501.57 million and 24.67%, ₹6,789.24 million and 16.69%, and ₹5,016.71 million and 14.20%, respectively.

For a detailed calculation and reconciliation of the aforementioned ratios, see "*Other Financial Information*" on page 341.

Our Competitive Strengths

We believe we have the following competitive strengths:

Well-placed to Leverage Leading Position in the Domestic Market

We believe we are well-positioned to benefit from our leading position in the domestic pharmaceutical market. We have a long standing market presence and, since we began focusing on Indian domestic branded generics in 1995, we have successfully grown our business, where, based on sales in India in the Financial Year 2021, we were ranked as (i) the 12th largest pharmaceutical company in India and (ii) the largest pharmaceutical company in India in the gynecology, blood related and HIV antivirals therapeutic areas, according to CRISIL. Further, over the last three Financial Years, we have outgrown the Indian pharmaceutical industry in terms of sales in India in several of our key therapeutic areas, including gynecology, blood related, HIV, cardiovascular, vitamins, minerals and nutrients, anti-infectives, gastrointestinal, pain and analgesics, respiratory, blood-related, oncology/anti-neoplastics and anti-diabetics, according to CRISIL.

Our portfolio is focused towards pharmaceutical products used in chronic therapeutic areas, which we believe are therapeutic areas with the highest growth potential in India. According to CRISIL, for the Financial Year 2021, 64.75% of our sales in India was from chronic therapeutic areas as compared to the 53.26% industry average for pharmaceutical companies in India. According to CRISIL, over the last three Financial Years, our sales in India of chronic products grew at a CAGR of 13.86%, outperforming the Indian pharmaceutical industry's growth of 7.70%. According to CRISIL, over the same period, our sales in India of acute products grew at a CAGR of 6.97%, also outperforming the Indian pharmaceutical industry's growth of 3.56%.

We also have strong marketing and distribution capabilities. As of June 30, 2021, our marketing and distribution network in India was supported by a specialized field force of over 4,600 personnel who interact regularly with doctors and other healthcare providers to promote our pharmaceutical products. Our strength in marketing and distribution has been acknowledged and leveraged by several leading multi-national pharmaceutical companies that we have entered into agreements with for the marketing and in-licensing of their products in India and overseas.

We believe that the domestic market dynamics and landscape are very conducive for us to continue to leverage our existing and growing product portfolio and further develop and grow our business. According to CRISIL, the domestic formulations market is expected to grow at a CAGR of approximately 9% to 11% over the next six years, mainly driven by (i) the increasing prevalence of non-communicable diseases (including cardiovascular disease, stroke, cancer, diabetes and chronic lung disease), (ii) a growing population and, in turn, growing demand for medicine generally, with India expected to become one of the top ten countries in the world in terms of spending on medicine over the next few years, and (iii) favorable initiatives and schemes from the Government of India to encourage companies to manufacture ingredients domestically and support the growth of the domestic pharmaceutical industry.

Large, Diversified and Fast-Growing Product Portfolio in International Markets

We have an established presence in international markets, which we believe is a strong complement to our domestic business and presents strong opportunities for growth. We sell our portfolio of products internationally in over 70 countries, with Europe and Canada currently being our primary international markets.

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, among other factors, its regulatory landscape, market size, competitive landscape and scope for our products. This allows us to strategically select local partners, acquire local companies or rights of pharmaceutical products, and establish subsidiaries with our own on-the-ground sales force in these markets. For instance, we have made strategic acquisitions of companies such as Marcan in Canada and Tillomed in the United Kingdom, which have allowed us to leverage our R&D and manufacturing capabilities in India and, at the same time, quickly and cost-efficiently establish distribution

channels for our products in Canada and Europe, respectively. We have also acquired rights of pharmaceutical products, such as BiCNU, a branded oncology product prescribed for treatment of brain tumors, multiple myeloma, Hodgkin's disease and non-Hodgkin's lymphoma, which has allowed us to expand our presence in our existing markets as well as facilitate our entry into new markets.

As a result, we have successfully grown our target markets in several international geographies. For example, in Canada, since acquiring Marcan in 2015, we have become one of the country's leading Indian generic pharmaceutical companies, according to CRISIL. Similarly, in Europe, we have increased our product portfolio from two products in the Financial Year 2014 before we acquired Tillomed, to more than 150 products in the Financial Year 2021. We have also established subsidiaries in Peru, Mexico, Australia, Germany, Spain, Italy, New Zealand, France, Dubai, Brazil, South Africa and Nigeria and a branch office in Russia which play an important role in liaising and managing our operations in these markets.

Our focus in our international markets is on developing and commercializing products, which are differentiated and require significant expertise to develop and manufacture, and, as such, are subject to less competition and allow us to enjoy high margins. For example, in Europe and our other key target markets, we are focused on higher value added generics and complex injectables, such as Cidofovir and Meropenem. We have also launched our biologics products and chirally pure products in many countries, including Brazil, Mexico, Russia and South Korea.

We believe that our market specific growth strategies have allowed us to deepen our presence in our existing markets as well as, at the same time, expand into other markets in a cost efficient and profitable manner. Between the Financial Year 2019 and the Financial Year 2021, our total sales outside India grew at a CAGR of 32.80% from ₹14,306.19 million to ₹25,233.45 million.

Strong R&D Capabilities Driving Differentiated Portfolio of Products

We have strong in-house R&D expertise, which has allowed us to develop a differentiated portfolio of pharmaceutical products that we believe, gives us a competitive advantage in the markets in which we operate. Our R&D efforts are focused towards (i) complex molecules, including highly complex APIs that require multi-step transformation, (ii) differentiated pharmaceutical formulations, in multiple dosage forms and novel drug delivery systems, which are capable of greater efficacy and better patient compliance, (iii) continuous product and process improvements to achieve better quality and productivity, (iv) niche biologics formulations, and (v) our mRNA platform.

As of June 30, 2021, we had 501 highly qualified scientists, 15 of whom are post doctorates, 39 of whom hold Ph.Ds and 381 of whom are post graduates. We have five R&D facilities in India, and have established dedicated teams for new product development, including complex oral solids, injectables, complex generic APIs and biologics, technology transfer, life cycle management and project management. As of June 30, 2021, we had been granted 161 patents and had 98 pending patent applications in several countries, and had submitted 98 DMFs for APIs with various regulatory agencies across the world. As a result of our advanced research facilities, sophisticated equipment, talented R&D team and strong focus towards innovation, the University of Pune has accredited one of our R&D centers as a Ph.D. center for prospective students to conduct and complete their research and thesis.

Our strategy for R&D is to establish differentiated technology platforms and, once established, develop multiple products on the platforms. We believe in a thorough and systematic approach to selecting products for development, which includes a detailed commercial evaluation of the market opportunity of a particular formulation or API, its development complexity, intellectual property landscape and the potential competitive scenario. Of our five R&D facilities, we have three facilities focused on formulations research, one facility focused on API research and one facility focused on biopharmaceuticals research. Highlights of our R&D operations include, among others:

- *Complex molecules.* We believe we are a pioneer in chiral chemistry, where we have developed and marketed 11 chiral molecules, of which six were the first to be launched in India, according to CRISIL, namely Levamlodipine Besilate, S-Atenolol, Dexketoprofen Trometamol, Dexrabeprazole, S-Metoprolol Succinate and S-Pantoprazole Sodium Salt. These molecules have demonstrated greater effectiveness, safety and require lesser dosage than their non-chiral counterparts. We also believe that we have been able to develop and master the complex characterization techniques and niche skill-sets required to manufacture complex generic iron products, such as iron-sucrose, ferric-carboxymaltose

and Ferrous ascorbate, at the desired quality. According to CRISIL, we were the first to launch Ferric Carboxymaltose under the brand name Encicarb, an iron replacement medicine used to treat iron deficiency anemia, and a Ferrous Ascorbate and Folic Acid combination under the brand name Ferium XT, a tablet used to treat iron deficiency anemia and folic acid or folate deficiency, in India. In addition, we have developed and commercialized complex generic APIs in the domestic market, such as Enoxaparin, a type of low molecular weight heparin, and Treprostinil, a medication used to treat pulmonary arterial hypertension and which contains five chiral centers. We are also working on advancing our photon chemistry technology and have developed and commercialized Dydrogesterone using this technology;

- *Differentiated pharmaceutical formulations*. We have successfully commercialized multiple oncology products, such as Eribulin, which requires a 45 step synthesis process. We were also the first to launch Treosulfan under the brand name Emtreo, a chemotherapy drug used to treat ovarian cancer, in India, according to CRISIL. We are also working on the development of an antibody drug conjugate which requires expertise in both chemistry and biology. Further, our R&D is also focused on developing novel drug delivery systems, including controlled release and high-potency injectables, in lyophilized and nano-particles form. In addition, we have capabilities in liposomal drug delivery and have effectively scaled up molecules such as Doxorubicin and Liposomal Amphotericin;

- *Continuous product and process improvements.* We have developed and optimized new manufacturing processes for anti-retroviral APIs, which have allowed us to reduce our production costs and supply such APIs at more competitive prices. We were the first to launch anti-retrovirals such as Instgra and Spegra in India, according to CRISIL, and we have also successfully commercialized anti-retrovirals such as Atazanavir, Ritonavir, Dolutegravir and Tenofovir. We are also working on advancing our flow chemistry technology to provide better quality drugs and achieve better yields;

- *Niche biologic formulations*. We have developed our own microbial and mammalian based platforms, through which we developed our portfolio of six commercialized and in-house manufactured biologics, according to CRISIL. According to CRISIL, we were the first company to domestically launch the biosimilar for Tenecteplase, commonly used for treating acute myocardial infraction, and the biosimilar for Pegaspargase, commonly used for treating patients with leukemia. We also hold the global patent for use of Tenectaplase to treat Acute Ischemic Stroke as a second indication, for which we have conducted clinical trials and received marketing authorization in India; and

- *mRNA platform*. We have developed a domestic mRNA platform. We are in the process of developing an mRNA COVID-19 vaccine, and have submitted the interim Phase I clinical trials data and the Phase II and Phase III protocol for the vaccine to the CDSCO. We are also in development stages for three other vaccines on our mRNA platform, for Zoster, Zika and Rabies.

We believe that our differentiated product portfolio has and will continue to protect us, to a large extent, from product price erosion resulting from price control measures. Further, we benefit from having limited exposure to the Government of India's National List of Essential Medicines ("**NLEM**"), which imposes prices controls of certain pharmaceutical products, and, according to CRISIL, only 15% of our sales in India was attributed to sales of products listed on the NLEM as of March 31, 2021, which was the fifth lowest among the top 15 pharmaceutical companies in India in terms of sales in India in the Financial Year 2021.

Demonstrated Capabilities of Building Brands

We have strong capabilities and a proven track record in building brands. For the Financial Year 2021, according to CRISIL, seven of our brands, namely Orofer-XT and Orofer-FCM, generally used in gynecological treatments, Bevon, generally used as a nutritional supplement, Zostum, generally used as an anti-infective, and Metpure XL, ESLO and EXHEP, generally used in the treatment of cardiovascular disease, were among the top 300 brands in India, based on sales in India of pharmaceutical products. For the same period, according to CRISIL, 18 of our top 20 brands, that are used in treatments in the blood-related, gynecology, anti-infectives, vitamins, minerals and nutrients, gastrointestinal, HIV, cardiovascular and respiratory therapeutic areas, were each ranked among the top five pharmaceutical products of their respective therapeutic areas in India, based on sales in India of pharmaceutical products. Further, for the same period, our biosimilar brands, Elaxim, Tenectase and Hamsyl, were each ranked 1st in our domestic market for the Financial Year 2021, in terms of sales in India for their respective molecule, according to CRISIL.

We also leverage our brand strength and leadership positions in our key therapeutic areas to launch related products and penetrate into adjacent therapeutic areas. For example, we leverage our brand strength in Orofer XT and leadership positions in the treatment of anemia with gynecologists to launch related products, such as Dydrofem. We also leverage our brand strength in Metpure (Metoprolol) in the treatment of hypertension and angina to launch related products, such as Exafib (Rivaroxaban) and penetrate into adjacent therapeutic areas, such as anticoagulants for the treatment of deep vein thrombosis and pulmonary embolism in the cardiovascular and orthopedic therapeutic areas.

Our ability to build brands has, in part, also been supported by our strong relationships with many global innovators, which has allowed us to in-license new technologies and products in India and internationally. We successfully in-licensed Ferric-carboxymaltose and, for the Financial Year 2021, we were the leading brand in India for iron deficiency treatments, in terms of sales in India, according to CRISIL. We have also in-licensed a number of HIV products, and, for the Financial Year 2021, we were the largest pharmaceutical company in India in the HIV antivirals therapeutic area, in terms of sales in India, and we were one of the global leaders in second line HIV treatments, according to CRISIL.

Extensive and Diversified Manufacturing Capacity

We have 14 manufacturing facilities across India and intend to further expand our capabilities and capacities. Our facilities are capable of producing pharmaceutical products of a wide range of dosage forms, including oral solids, oral liquids and injectables, including complex injectables such as liposomal, lipid and lyophilized injectables, complex APIs, including chiral molecules and cytotoxic products, and biopharmaceutical products. Our ability to manufacture our own APIs has allowed us to attain a significant degree of vertical integration, allowing us to source APIs in a cost effective manner, ensure quality and security of availability of an essential raw material and protect our intellectual property. We have also successfully developed and deployed our microbial and mammalian based platforms in our manufacturing facilities. We utilize continuous bio-manufacturing facilities and perfusion-based technology in India, which require lower capital expenditure to construct, occupy a smaller footprint, require lower operating expenditure and have relatively higher yield.

Our facilities are subject to inspections and audits by regulators, including the USFDA, MHRA (United Kingdom), Health Canada and EDQM (Europe), among others, that are conducted periodically, and have generally been found to be in compliance with the requirements and standards of such regulators. We have been consistently implementing cGMPs across each of our manufacturing facilities, which are monitored by a comprehensive QMS encompassing all areas of business processes from R&D and raw material procurement to manufacturing, packaging and delivery. We focus on building quality into our products through compliance with global regulatory standards as well as local and state laws.

De-Risked Business Model with Diversified Income Base

Our differentiated platforms and capabilities provide us with a de-risked business model as we derive our revenue from differentiated product portfolios that we market and sell domestically and internationally. Our business is diversified in terms of geographies, therapeutic areas and business segments within the pharmaceutical industry. We believe that our business model derives considerable resilience through our diversified revenue streams. For the Financial Years 2021, 2020 and 2019, due to our vast range of products and diversified geographic presence, no single product or country outside of India accounted for more than 13.00% of our proforma revenue from operations. For the same periods, our proforma sales in India contributed to 49.87%, 57.98% and 59.28%, respectively, of our proforma revenue from operations, and our proforma sales outside India contributed to 50.13%, 42.02% and 40.72%, respectively, of our proforma revenue from operations.

Highly Qualified, Experienced and Entrepreneurial Management Team and Board

Our business and operations are led by a highly qualified, experienced and capable management team, who come from diverse backgrounds and various fields of expertise, comprising scientists, engineers, finance professionals, lawyers and management school graduates. Satish Mehta, our founder, Promoter, Managing Director and Chief Executive Officer, has over 30 years of experience in the pharmaceutical industry with specialties in R&D, finance, business development and organization building. Further, various members of Satish Mehta's family have been involved in the management of our Company for over 15 years, including our Whole Time Director – India Business, President of Operations, President of Emerging Markets, Whole Time Director – Projects and President of Corporate Development, Strategy and Finance.

We also have strong professionals leading various key aspects of our business, including Dr. Mukund Gurjar, Dr. Sanjay Singh and Dr. Deepak Gondaliya, who lead our R&D operations. Dr. Mukund Gurjar is our Chief Scientific Officer. He has over 32 years of experience in pharmaceutical sciences, during which he was involved in advanced research in organic chemistry at the National Chemical Laboratory for 25 years, and is a fellow at various national and international academics. Dr. Sanjay Singh is the Chief Executive Officer of our subsidiary, Gennova Biopharmaceuticals Limited, and has previously worked with the National Institute of Health in the United States as a tenured scientist. Dr. Deepak Gondaliya has over 20 years of experience in formulation R&D and is named in more than 20 patents.

In addition, we are led by a diverse and experienced Board of Directors. Our Board has diverse experience across R&D, pharmaceutical sciences, organic chemistry, business development, organization building, management, finance, legal, taxation, mergers and acquisitions, international business, risk management, and social and governance. We have had an independent Chairman on our Board since 1997. Berjis Desai, the current Chairman of our Board and an independent director, has experience in private legal practice, with specialties in business and transactional law as well as dispute resolution.

Together, these individuals and other members of our senior management team and Board have led the process through which we have created value through organic and inorganic growth, built the "Emcure" brand and emerged as a leading participant in the Indian pharmaceutical industry. We believe that their vision and execution capabilities have been instrumental in the growth and success of our business and brand, and that their diverse skillset will continue to provide us with a significant competitive advantage as we seek to expand in our existing markets and enter new geographic markets.

Environmental, Social and Governance ("ESG") Focused Business

We maintain stringent focus on ensuring that our business strategies are aligned with our sustainability and ESG objectives. Our Board periodically implements measures to further enhance our governance practices and, during 2021, our Board laid the foundation for the accelerated integration of our ESG factors into our business decision-making processes in order to address wider environmental and social factors as well as evolving corporate governance standards. See also "– *Description of Our Business – Environmental, Health and Safety*" and "– *Description of Our Business – Corporate and Social Responsibility*" on pages 199 and 200, respectively.

We strive to achieve excellence in environmental responsibility. Most of our manufacturing facilities have been recognized by international accreditations, which we believe demonstrates our commitment to being an environmentally conscious organization along with adherence to the health and safety aspects relevant to our employees. We also screen all our suppliers and vendors based on our comprehensive pre-defined criteria as part of our efforts to instill responsible supply chain and procurement practices.

We are equally focused on strengthening the social aspects of our business and our commitment to strong governance, as highlighted by our diverse and experienced Board, half of which comprises independent directors and which has been led by an independent Chairman since 1997, see "– *Highly Qualified, Experienced and Entrepreneurial Management Team and Board*" on page 183. During the Financial Year 2021, we had a 100% attendance rate for all Directors at all our board meetings. In addition, our independent directors hold a separate meeting annually. We also emphasize governance through transparency, including through voluntary filings of corporate governance reports for our Company and our subsidiaries. In addition, we continuously invest towards the development of our workforce by implementing various learning and development programs that enable our employees to sharpen their professional and personal skills.

Further, we strive to uplift our local communities and mutually thrive with them. In this regard, we undertake various initiatives dedicated to improving their quality of life, including in the areas of healthcare and education. In addition, to support our endeavor of being a leader in women's health and wellness, we have launched our "Uncondition Yourself" initiative through which we aim to create awareness about women's health issues and challenges faced by women, dispel female stereotypes and spread accurate information to facilitate creation of a supportive ecosystem through dedicated talk shows, on-ground activities and virtual engagements.

In line with our endeavor to instill sustainability across our operations, we have established various internal guidelines in the form of standard operating procedures for work aspects such as a work permit system, regular safety surveillance, hazard identification and risk assessments, and electrical safety procedures, amongst others. We also have an environmental, health and safety ("**EHS**") policy to address the overall management of the EHS aspects of our business along with an employee manual and CSR policy to cover social aspects.

Our Strategies

The main elements of our business strategy include the following:

Increase Our Market Share in the Domestic Market

We intend to continue to consolidate our position and increase our market share in our key and leading therapeutic areas, such as gynecology, cardiovascular, anti-infectives, HIV, blood related, oncology/anti-neoplastics, hormones and vitamins, minerals and nutrients. We plan to do so by, among other things, (i) increasing the penetration of our key brands in these therapeutic areas, (ii) developing other strong and domestically recognized brands for these therapeutic areas, and (iii) launching new products to address unmet patient needs for these therapeutic areas. We also intend to continue to grow our position and increase our market share in certain of our other therapeutic areas, such as neurology, anti-diabetics, respiratory and gastrointestinal.

We are also working to increase the productivity of our sales force. We believe that increasing our domestic market share through our developed and recognized brands allows us to have a focused strategy that would improve our productivity, lead to better connectivity with doctors and patients and drive better growth and margins. Our revenue per sales personnel has increased from ₹5.28 million for the Financial Year 2019 to ₹6.18 million for the Financial Year 2021.

In tandem with increasing the penetration of our key brands in the domestic market, we also intend to continue to increase our penetration across the domestic market with an increased focus on hospitals and pharmacy chains as well as in rural and semi-rural parts of India where we believe there is significant growth potential for our products. In addition to marketing and selling our own products, to supplement our product range, we also intend to continue to in-license multi-national pharmaceutical companies' branded and patented products for sale in India.

Invest in R&D and Manufacturing Capabilities to Enhance and Grow our Differentiated Product Portfolio

We believe that our focus on R&D and strong manufacturing capabilities has been a key element of differentiation between us and our competitors, and has supported our robust growth. We intend to continue to invest in our R&D initiatives and further strengthen our manufacturing capabilities in order to grow our differentiated product portfolio for both the domestic and international markets, with a focus on improving vertical integration to achieve greater control over our product quality, supply chain and operating costs. We aim to focus on incorporating sustainable sourcing practices to ensure that our supply chain, R&D and manufacturing activities are in line with our ESG goals. We also expect to continue to make investments in formulations and APIs for high-growth therapeutic areas. In addition, our new R&D focus areas include flow chemistry, antibody drug conjugate and photon chemistry.

In particular, we believe that there is limited competition globally, and therefore significant growth opportunities, in the development, production and commercialization of novel drug delivery systems, biopharmaceuticals and mRNA products to address life-threatening diseases across various indications. As such, we intend to make substantial investments directed towards (i) developing, and increasing our manufacturing capabilities for, novel drug delivery systems, (ii) increasing our biopharmaceuticals manufacturing capabilities to facilitate the launch of new biologics in the global markets, and (iii) transitioning to commercial mRNA vaccine production:

- *Novel drug delivery systems*. We intend to continue developing, and increasing our manufacturing capabilities for, novel drug delivery systems, including controlled release and high-potency injectables in lyophilized, nano-particles, liposomal form, in-situ suspension, depot formulation, micro-sponges and lipid formulation. We are also working on "ready-to-use" products that reduce multi-step dose preparation and enable ease of use by physicians. The proof of concept of the technology has already been accomplished on drugs such as Bortezomib, Bendamustine and Cyclophosphamide.

- *Biologics*. We plan to continue developing our pipeline of biologics projects, which we intend to first launch in India and, subsequently, in various international markets. We have already commercialized six in-house manufactured biologics through our microbial and mammalian based platforms. For our biologics products that we have already launched in India, we intend to make the applicable regulatory filings and launch these products in Europe, Canada and other international markets, either through

strategically selecting local partners or through our own on-the-ground sales in these markets. For certain of these biologics, we also intend to apply for WHO approvals, which we believe would allow us to fast track the launch of such products in multiple international markets.

- *mRNA platform*. We intend to leverage our mRNA platform to initially focus on our COVID-19 vaccine development efforts, for which we benefit from funding from the Government of India.

  We have submitted the interim Phase I clinical data of our mRNA-based COVID-19 vaccine candidate, HGCO19, to the CDSCO of the Government of India's National Regulatory Authority. The Phase I study results found that HGCO19 met our target results for safety, tolerability and immunogenicity in the participants of the study, and that it was generally safe and well-tolerated. The adverse events reported in the study were mild to moderate, transient, and mostly self-resolved in line with expectations as they compared favorably to the adverse events data published for other approved mRNA vaccines for COVID-19. We have submitted the proposed Phase II and Phase III study to the CDSCO. Pursuant to the proposed Phase II study protocol, a total of 400 participants will be randomized, 200 in each arm, which will compare the safety and immunogenicity of the HGCO19 vaccine with an emergency-use-authorized vaccine. The Phase III study will be initiated following a planned interim analysis of the Phase II study data. Pursuant to the proposed Phase III study protocol, a total of 4,000 participants will be randomized in a 3:1 (experimental versus comparator arm) ratio. We plan to use the Department of Biotechnology – Indian Council of Medical Research's clinical trial network sites for the Phase III study. After completing the required clinical trials, we intend to apply for approval for the sale of our COVID-19 vaccine.

  We also intend to continue developing our pipeline of mRNA vaccines for Zoster, Zika and Rabies, which we intend to launch in India and internationally over the coming years. We also plan to continue to study the use of our mRNA platform for the development of other therapeutic agents.

Deepen and Expand Our International Presence with a Focused Go-to-Market Approach

We have filed over 1,500 dossiers globally for products offered through differentiated product platforms, such as chiral molecules, complex injectables including liposomal and lyophilized injectables, extended release, iron molecules and biologics products based on differentiated technologies. As of June 30, 2021, we were present in a total of 19 therapeutic areas. We sell and market our products in over 70 countries and employ a calibrated and differentiated marketing approach to each of our international 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 intend to continue to grow our sales in all our target international markets by registering more of our products and increasing our customer penetration, through either developing our own on-the-ground sales force or establishing partnerships, in these markets. We intend to continue to focus on technology driven differentiated products, especially complex oral solids, injectables and biologics, in these markets.

Pursue Strategic Acquisitions, Partnerships and In-Licensing

We intend to continue to pursue strategic acquisitions of companies, products and facilities across key markets as well as in-license pharmaceutical products of other companies for our key and focus therapeutic areas, which we expect would allow us to both deepen our presence in our existing markets and facilitate our entry into new markets. In addition, we plan to continue to strategically select local partners and/or establish subsidiaries with our own on-the-ground sales force in our target markets, which we expect would to allow us to quickly and cost-efficiently establish distribution channels for our products.

Description of Our Business

We develop, manufacture and market a broad range of pharmaceutical products globally. We seek to establish a presence in several and diverse markets and, for the Financial Year 2021, no single product or country outside India contributed to more than 13.00% of our proforma revenue from operations.

The following table sets forth a breakdown of our restated sales in India and restated sales outside India, in absolute terms and as a percentage of total restated revenue from operations, for the periods indicated:

	For the Financial Year Ended March 31,		
	2021	**2020**	**2019**

	For the Financial Year Ended March 31,					
	2021		2020		2019	
	(₹ in millions, except percentages)					
Sales in India	**24,766.02**	**40.89%**	**22,918.31**	**45.40%**	**20,478.49**	**43.41%**
Sales outside India	**35,798.13**	**59.11%**	**27,567.23**	**54.60%**	**26,693.34**	**56.59%**
Europe	7,383.14	12.19%	6,069.00	12.02%	5,660.54	12.00%
North America	17,122.83	28.27%	15,784.83	31.27%	15,551.56	32.97%
Other continents	11,292.16	18.65%	5,713.40	11.31%	5,481.24	11.62%
Total	**60,564.15**	**100.00%**	**50,485.54**	**100.00%**	**47,171.83**	**100.00%**

The following table sets forth a breakdown of our proforma sales in India and proforma sales outside India, in absolute terms and as a percentage of total proforma revenue from operations, for the periods indicated:

	For the Financial Year Ended March 31,					
	2021		2020		2019	
	(₹ in millions, except percentages)					
Sales in India	**25,101.29**	**49.87%**	**23,292.74**	**57.98%**	**20,829.35**	**59.28%**
Sales outside India	**25,233.45**	**50.13%**	**16,879.35**	**42.02%**	**14,306.19**	**40.72%**
Europe	7,383.14	14.67%	6,069.00	15.11%	5,660.54	16.11%
Canada	6,558.15	13.03%	5,096.95	12.69%	3,164.40	9.01%
Rest of the world	11,292.16	22.43%	5,713.39	14.22%	5,481.25	15.60%
Total	**50,334.74**	**100.00%**	**40,172.09**	**100.00%**	**35,135.54**	**100.00%**

Domestic Business

In India, we have a focus on chronic (including sub-chronic) therapeutic areas, such as the gynecology, cardiovascular, oncology/anti-neoplastics, HIV, blood-related therapeutic areas. In addition to these, our new chronic focus areas include the neurology, respiratory and anti-diabetic therapeutic areas. We also have a strong presence in our target acute therapies such as the anti-infective, pain and analgesics, and vitamins, minerals and nutrients therapeutic areas. We have relationships with some of the leading multi-national pharmaceutical companies. We were ranked as (i) the 12th largest pharmaceutical company in India and (ii) the largest pharmaceutical company in India in the gynecology, blood related and HIV antivirals therapeutic areas, based on sales in India in the Financial Year 2021, according to CRISIL.

Our Therapeutic Areas

In India, we classify our products on the basis of their therapeutic use. Over the last decade, we have been increasing our focus on chronic therapeutic areas and, as of June 30, 2021, we were present in a total of 19 therapeutic areas. The following table sets forth certain information on our performance in our key therapeutic areas in comparison to the Indian pharmaceutical industry, according to CRISIL.

	FY2021 MAT value[(1)(2)]	**Percentage of total sales in India[(1)(3)]**	**Rank[(4)]**	**Market share[(5)]**	**MAT 3-year CAGR[(6)]**	**Industry-wide MAT 3-year CAGR[(7)]**
	(₹ in millions)	*(%)*		*(%)*	*(%)*	*(%)*
Gynecology	8,364.42	20.56%	1	11.85	6.37%	4.42%
Cardiovascular	8,772.47	21.56%	8	4.31	14.56%	11.74%
Vitamins, minerals and nutrients	4,652.40	11.43%	10	3.48	17.70%	8.54%
Anti-infectives	4,243.41	10.43%	14	2.43	8.47%	3.31%
Gastrointestinal	2,728.78	6.71%	16	1.63	12.39%	6.75%
Pain and analgesics	2,009.92	4.94%	15	2.11	8.16%	4.75%
HIV antivirals	2,264.68	5.57%	1	51.53	18.08%	12.96%
Respiratory	1,865.00	4.58%	15	1.84	4.31%	3.78%
Blood-related	1,709.61	4.20%	1	10.26	9.57%	4.73%
Oncology/Anti-neoplastics	1,089.66	2.68%	9	3.77	9.65%	4.37%
Anti-diabetic	692.38	1.70%	33	0.46	23.40%	10.49%
Neurology and psychiatry-CNS	609.05	1.50%	21	0.67	(4.60)%	7.41%
Others[(8)]	1,684.48	4.14%	27	0.71	1.89%	6.10%
Total	**40,686.39**	**100.00%**	**12**	**2.76**	**10.48%**	**6.88%**

Source: CRISIL Research

Notes:

(1) Figures are based on data from CRISIL and may differ from the actual numbers we record internally and which may be stated in our Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus.

(2) Represents the moving annual total ("**MAT**") value of our sales in India for the relevant therapeutic area for the Financial Year 2021.

(3) Represents the MAT value of our sales in India for the relevant therapeutic area divided by our total sales in India for the Financial Year 2021.

(4) Represents our ranking for the relevant therapeutic area in the Indian pharmaceutical industry, in terms of sales in India in the Financial Year 2021, according to CRISIL.

(5) Represents our market share for the relevant therapeutic area in the Indian pharmaceutical industry as of March 31, 2021, according to CRISIL.

(6) Represents the CAGR of the MAT value of our sales in India for the relevant therapeutic area over the last three Financial Years.

(7) Represents the CAGR of the Indian pharmaceutical industry's total MAT value of sales for the relevant therapeutic area over the last three Financial Years.

(8) Includes our anti-malaria, dermatology, hormones, ophthalmology, sex stimulants, stomatology and vaccines therapeutic areas.

Gynecology. Our gynecology portfolio includes Hematinics and Iron combinations, Progestogen and similar combinations. Our key brands in the gynecology therapeutic area include Orofer-XT, Orofer-FCM, Orofer-S, Ferium, Feronia, Galact and Emprogest. We also recently launch a new Dydrogesterone product under the brand Dydrofem, which treats female infertility and relieves various menstrual-related problems. Ferium – XT is one of India's leading iron supplements brands in terms of sales in India in the Financial Year 2021, according to CRISIL. We were ranked 1st in the gynecology therapeutic area in terms of sales in India in the Financial Year 2021, according to CRISIL.

Cardiovascular. Our cardiovascular portfolio includes chiral pure molecules, calcium channel blockers, beta blockers, anti-hypersensitive combinations, statins, anti-coagulants and diuretic combinations. Our key brands in the cardiovascular therapeutic area include Exhep, Metpure, Eslo, Enoxarin, Elaxim, Lomoh and Asomex. In addition, we have recently launched Rivaroxaban, an anticoagulant medication used to treat and prevent blood clots. We were ranked 8th in the cardiovascular therapeutic area in terms of sales in India in the Financial Year 2021, according to CRISIL.

Vitamins, minerals and nutrients. Our vitamins, minerals and nutrients portfolio includes multi-vitamins with nutrients, metabolites and protein supplements. Our key brands in the vitamins, minerals and nutrients therapeutic area include Bevon, Zinconia, Coralium D3, Zu-C 500 and Vitanova. We were ranked 10th in the vitamins, minerals and nutrients therapeutic area in terms of sales in India in the Financial Year 2021, according to CRISIL.

Anti-infectives. Our anti-infectives portfolio comprises cephalosporins and ampicillin (also known as amocycillin). Our key brands in the anti-infectives therapeutic area include Zostum, Augpen, Merotec, Tazotum and Scavista. We were ranked 14th in the anti-infectives therapeutic area in terms of sales in India in the Financial Year 2021, according to CRISIL.

Gastrointestinal. Our gastrointestinal portfolio includes antipeptic ulcerants, ofloxacin combinations, laxatives. Our key brands in the gastrointestinal therapeutic area include Maxiliv, Zoreso-D and EvaNew, Lornit and Ursomax. We were ranked 16th in the gastrointestinal therapeutic area in terms of sales in India in the Financial Year 2021, according to CRISIL.

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 Emanzen, Proxym and Myotop. We were ranked 15th in the pain and analgesics therapeutic area in terms of sales in India in the Financial Year 2021, according to CRISIL.

HIV antivirals. Our HIV portfolio comprises antiretrovirals. Our key brands in the HIV antivirals therapeutic area include Spegra, Instgra, Vonavir, Viropil and Atazor-R. We were ranked 1st in the HIV antivirals therapeutic area in terms of sales in India in the Financial Year 2021, according to CRISIL.

Respiratory. Our respiratory portfolio includes cold preparations, cough preparations and antihistamines. Our key brands in the respiratory therapeutic area include Maxtra, Maxtra-P and Nukast. The respiratory therapeutic area is a new focus area for us.

Blood-related. Our blood-related portfolio includes antifibrinolytics and Erythropoietin. Our key brands in the blood-related therapeutic area include Pause, Vintor, Sylate and Eporise. We were ranked 1st in the blood-related therapeutic area in terms of sales in India in the Financial Year 2021, according to CRISIL.

Oncology/Anti-neoplastics. Our oncology/anti-neoplastics portfolio comprises key injectable molecules such as Filgrastim, Peg-Filgrastim, Pegaspagine, Oxaliplatin. Our key brands in the oncology/anti-neoplastics therapeutic area include Oxa, Citafine, Xgrast, Hamsyl and Emgrast. We were ranked 9th in the oncology/anti-neoplastics therapeutic area in terms of sales in India in the Financial Year 2021, according to CRISIL.

Anti-diabetic. Our anti-diabetic portfolio comprises oral anti-diabetic products which include key molecules such as Glibenclemide (plain and metformin combination), Glimepride (Plain and Metformin combination) and Vildagliptin (plain and metformin combination). Our key brands in the anti-diabetic therapeutic area include Vylda, Vylda M, Daonil and XiLia. Vylda is among the top five Vildagliptin brands used in the anti-diabetic therapeutic area, according to CRISIL. The anti-diabetic therapeutic area is a new focus area for us.

Neurology and psychiatry-CNS. Our neurology and psychiatry-CNS portfolio includes a third generation thrombolytic Tenectaplase to treat Acute Ischemic Stroke as a second indication, for which we hold the global patent, and we have conducted clinical trials and received marketing authorization for it in India. The neurology and psychiatry-CNS therapeutic area is a new focus area for us.

Our Brands

As of June 30, 2021, we sold over 350 brands across the above therapeutic areas in India. For the Financial Year 2021, according to CRISIL, seven of our brands were among the top 300 brands in India, based on domestic sales of pharmaceutical products. These include Orofer-XT and Orofer-FCM, which are generally used in gynecological treatments, Bevon, which is generally used as a nutritional supplement, Zostum, which is generally used as an anti-infective, and Metpure XL, ESLO and EXHEP, which are generally used in the treatment of cardiovascular disease. For the same year, according to CRISIL, 18 of our top 20 brands, that are used in the treatments for the blood-related, gynecology, anti-infectives, vitamins, minerals and nutrients, gastrointestinal, HIV, cardiovascular and respiratory therapeutic areas, were each ranked among the top five pharmaceutical products of their respective therapeutic areas in India, based on sales in India.

Further, according to CRISIL, we were the first pharmaceutical company in India to launch various formulations including Encicarb (Ferric Carboxymaltose), an iron replacement medicine used to treat iron deficiency anemia, Emtreo (Treosulfan), a chemotherapy drug used to treat ovarian cancer, and multiple products for the treatment of HIV including Instgra (Dolutegravir) and SPEGRA (Dolutegravir combinations).

We have launched a differentiated portfolio of biologics in India. According to CRISIL, we were the first pharmaceutical company to domestically launch the biosimilar for Tenecteplase, which is commonly used for treating acute myocardial infraction, and the biosimilar for Pegylated-asparaginase, commonly used for treating patients with leukemia. We also hold the global patent for use of Tenectaplase to treat Acute Ischemic Stroke as a second indication, for which we have conducted clinical trials and received marketing authorization in India. We have a portfolio of six commercialized and in-house manufactured biologics and our biologics brands Elaxim, Tenectase and Hamsyl were each ranked 1st in our domestic market for the Financial Year 2021, in terms of sales in India for their respective molecule, according to CRISIL.

International Markets

In addition to India, we also sell our products internationally in over 70 countries as of June 30, 2021, with Europe and Canada as our primary international markets. We employ a calibrated and differentiated approach to entering and deepending our presence 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. This allows us to strategically select local partners, acquire local companies or rights of pharmaceutical products, and establish subsidiaries with our own on-the-ground sales force in these markets. For instance, we have made strategic acquisitions of companies such as Marcan in Canada and Tillomed in the United Kingdom, which have allowed us to leverage our R&D and manufacturing capabilities in India and, at the same time, quickly and cost-efficiently establish distribution channels for our products in Canada and Europe, respectively. We have also acquired rights of pharmaceutical products, such as BiCNU, a branded oncology product prescribed for treatment of brain tumors, multiple myeloma, Hodgkin's disease and non-Hodgkin's lymphoma, which has allowed us to expand our presence in our existing markets as well as facilitate our entry into new markets.

Our Product Offerings

Our two main product offerings are formulations and APIs. For the Financial Years 2021, 2020 and 2019, substantially all of our revenue was attributable to sales of formulations. All our products are manufactured by taking into consideration the potential environmental and social impacts. Our product manufacturing process encompasses business practices that promote inclusion of eco-friendly operations such as efficient use of raw materials and reducing our overall environmental impact in and around the areas where we operate.

Formulations

We develop, manufacture and market formulations in various dosage forms including solid orals, oral liquids and injectables.

- Solid orals. We manufacture several billions of tablets annually as well as a wide range of dissolvable and chewable tablets and capsules with a focus on controlled release. In addition, we have the ability to develop taste masking tablets, such as anti-allergic and iron tablets with no metallic aftertaste to ensure better patient compliance. Other novel drug delivery systems that we build into solid orals include sublingual and oral disintegration technology, as well as hot-melt technology that facilitates heat resistance. Some of our solid oral products also include tablet in tablet / bi-layer tablet technologies to pair multiple pharmaceutical products. Our capabilities extend to differentiated technology-driven products such as osmotic formulation, multi-particulate formulation and triple-drug combination.

- Oral liquids. We have dedicated liquid manufacturing lines that are equipped with manufacturing blocks for the production of dry syrups such as beta lactam and cephalosporin antibiotics.

- Injectables. We manufacture injectable products in different packaging formats, such as vials and pre-filled syringes, and forms, such as lyophilized, liquid and sterile powder fill. Our injectable portfolio includes complex iron injectables, oncology, steroids, suspensions and emulsions. We are able to produce high potency injectables, particularly oncology products, at our cytotoxic facility by using isolation technology, which is particularly complex. We also have capabilities to produce liposomal injectables and long-acting injectables. We are strengthening our capabilities in product portfolios such as in-situ suspension, nano suspension, depot formulation, microsponges, lipid formulation and targeted drug therapy.

As part of our formulations product offerings, we also develop, manufacture and market biopharmaceuticals, including both biologics and biosimilars, in select chronic therapeutic areas including oncology, neurology, nephrology and cardiovascular. We develop our biopharmaceuticals using the mammalian and microbial expression platforms.

APIs

We develop, manufacture and market select high value, non-commoditized APIs. As of April 1, 2021, we had a total of 62 commercialized APIs.

Our API manufacturing process involves developing multiple synthetic routes for the same molecule and choosing the route that is most robust and cost effective, and matches innovative product specifications. Our scientists have expertise in developing complex organic molecules including complex chiral molecules, cytotoxic drugs, immunosuppressants, and liquid and lyophilized APIs, polymer-based and iron-based chemistry, and peptides.

Going forward, we plan to scale our API product offerings. As we manufacture a wide range of APIs predominantly for use in manufacturing of pharmaceutical products, we are able to use our own APIs in the manufacturing of our pharmaceutical products. This allows us to attain a significant degree of vertical integration and to source APIs in a cost effective manner, ensure quality and security of availability of an essential raw material and protect our intellectual property.

Manufacturing Facilities and Approvals

We have 14 manufacturing facilities across the states of Maharashtra, Gujarat, Sikkim, Karnataka and Jammu, in India, 13 of which are situated on leasehold land. Our manufacturing and development capabilities include formulation through process development, and scale-up and full-scale commercial manufacturing.

Our facilities are equipped with advanced technologies that help ensure efficient utilization of resources. We have installed energy efficient equipment, promote usage of renewable substitutes and have Effluent Treatment Plants (ETP) in most of our facilities that integrate concepts such as Zero Liquid Discharge (ZLD) to reduce the dependency on natural sources. In addition, we use the latest range of high-quality protection gears across our facilities to ensure the safety and well-being of our employees.

Our manufacturing facilities are inspected/audited by our customers and a variety of overseas regulatory authorities, including USFDA, MHRA (United Kingdom), Health Canada, ANVISA Brazil and EDQM (Europe), among others, to assess compliance with their respective regulatory requirements. To varying degrees, each of these agencies requires us to adhere to laws and regulations governing the development, testing, manufacturing, labeling, marketing, and distribution of our products in their respective regions. Most of our manufacturing facilities have received several major regulatory approvals and accreditations which enable us to supply our products in regulated and other markets. We continuously invest in the improvement of our manufacturing facilities to ensure they remain in compliance with the relevant regulations and have functions dedicated to addressing improvement areas in our facilities. See also "– *Quality Control and Quality Assurance*" on page 196.

The following table sets forth certain information on our manufacturing facilities:

	Facility	Location	Description	Key Approvals
1.	**Oral Solid Doses, Hinjawadi**	Pune, Maharashtra, India	Formulations manufacturing facility for solid orals with a registered capacity per annum of 1,000 million capsules and 5,000 million tablets	• TGA Australia • Health Canada • HALMED (Croatia) • MOH (Russia) • GCC • cGMP India • WHO PQ Geneva • ANVISA Brazil • SAHPRA (South Africa)
2.	**Sterile Product Division, Hinjawadi**	Pune, Maharashtra, India	Formulations manufacturing facility for injectables with a registered capacity per annum of 80.64 million vials	• TGA Australia • Health Canada • HALMED (Croatia) • MOH (Russia) • cGMP India • ANVISA Brazil
3.	**Biologics, Hinjawadi**	Pune, Maharashtra, India	Formulations manufacturing facility for injectables with a registered capacity per annum of 7.2 million vials	• MCAZ (Zimbabwe) • PPB (Kenya) • TMDA (Tanzania) • NDA (Uganda) • NMRA (Sri Lanka) • MOH (Russia) • cGMP India
4.	**API, Kurkumbh**	Pune, Maharashtra, India	API manufacturing facility with a registered capacity per annum of 240 MT	• USFDA • EDQM (Europe) • cGMP India
5.	**API, Pimpri**	Pune, Maharashtra, India	API manufacturing facility with a registered capacity per annum of 24 MT	• USFDA • cGMP India
6.	**Injectables, Sanand**	Ahmedabad, Gujarat, India	Formulations manufacturing facility for solid orals and injectables with a registered capacity per annum of 72 million vials	• USFDA • cGMP India • Health Canada • HALMED (Croatia)
7.	**Orals, Kadu**	Surendranagar, Gujarat, India	Formulations manufacturing facility for solid orals with a registered	• State FDA

			capacity per annum of 300 million tablets	
8.	**Orals, Jammu - 1**	Jammu, Jammu and Kashmir, India	Formulations manufacturing facility for solid and liquid orals with a registered capacity per annum of 2,520 million tablets, 254.7 million capsules and 64.6 million bottles	• MCAZ (Zimbabwe) • PPB (Kenya) • NMRA (Sri Lanka) • MOH (Cambodia) • DAV (Vietnam) • FDA (Philippines) • FDA (Thailand) • NAFDAC (Nigeria) • cGMP India
9.	**Orals, Jammu - 2**	Jammu, Jammu and Kashmir, India	Formulations manufacturing facility for solid and liquid orals with a registered capacity per annum of 36 million tablets, 15.3 million vials and 1.8 million bottles	• cGMP India
10.	**Orals, Sikkim**	East Sikkim, Sikkim, India	Formulations manufacturing facility for solid and liquid orals with a registered capacity per annum of 2,484 million tablets, 396 million capsules and 25.2 million bottles	• cGMP India
11.	**Orals, Bengaluru**	Bengaluru Rural, Karnataka, India	Formulations manufacturing facility for liquid orals with a registered capacity per annum of 36 million bottles	• cGMP India
12.	**Prefilled Syringes, Hinjawadi**	Pune, Maharashtra, India	Formulations manufacturing facility for injectables with a registered capacity per annum of 18 million vials	• cGMP India
13.	**Oncology, Hinjawadi**	Pune, Maharashtra, India	Formulations manufacturing facility for liquid orals with a registered capacity per annum of 4.3 million vials	• Health Canada • HALMED (Croatia) • MOH (Russia) • FDA (Philippines) • GMP (Ukraine) • TGA Australia • cGMP India • MFDS (Korea) • ANVISA Brazil
14.	**Orals, Mehsana**	Mehsana, Gujarat, India	Formulations manufacturing facility for solid orals with a registered capacity per annum of 220 million tablets	• State FDA

In addition, we intend to increase our manufacturing and capacities across our target areas including injectables, biologics and mRNA manufacturing. We intend to make substantial investments directed towards (i) developing, and increasing our manufacturing capabilities for, novel drug delivery systems, (ii) increasing our biopharmaceuticals manufacturing capabilities to facilitate the launch of new biologics in the global markets, and (iii) transitioning to commercial mRNA vaccine production.

Production capacity, production volumes and capacity utilization

The following tables set forth the annual production capacity, actual production volumes and capacity utilization of our manufacturing facilities for the periods indicated:

	As of and for the Financial Year Ended March 31,		
	2021	**2020**	**2019**
1. Oral Solid Doses, Hinjawadi			
Installed capacity *(tablets/capsules in millions)*	6,000.00	6,000.00	6,000.00
Actual production volumes *(tablets/capsules in millions)*	808.61	432.47	424.05
Capacity utilization	**13.48%**	**7.21%**	**7.07%**
2. Sterile Product Division, Hinjawadi			
Installed capacity *(vials in millions)*	80.64	80.64	80.64
Actual production volumes *(vials in millions)*	1.40	5.76	6.86
Capacity utilization	**1.74%**	**7.14%**	**8.51%**
3. Biologics, Hinjawadi			
Installed capacity *(vials in millions)*	7.20	7.20	7.20
Actual production volumes *(vials in millions)*	2.94	3.05	2.99
Capacity utilization	**40.87%**	**42.32%**	**41.52%**
4. API, Kurkumbh			
Installed capacity *(tons in millions)*	240.00	240.00	240.00
Actual production volumes *(tons in millions)*	94.91	81.20	87.34
Capacity utilization	**39.55%**	**33.83%**	**36.39%**
5. API, Pimpri			
Installed capacity *(tons in millions)*	24.00	24.00	24.00
Actual production volumes *(tons in millions)*	3.54	0.62	0.60
Capacity utilization	**14.74%**	**2.57%**	**2.48%**
6. Injectables, Sanand			
Installed capacity *(vials in millions)*	72.00	72.00	72.00
Actual production volumes *(vials in millions)*	6.30	3.83	0.35
Capacity utilization	**8.75%**	**5.32%**	**0.49%**
7. Orals, Kadu[(1)]			
Installed capacity *(tablets/capsules in millions)*	300.00	NA	NA
Actual production volumes *(tablets/capsules in millions)*	NA	NA	NA
Capacity utilization	NA	NA	NA
8. Orals, Jammu - 1			
Installed capacity *(tables/capsules in millions)*	2,774.70	2,774.70	2,774.70
Actual production volumes *(tables/capsules in millions)*	945.68	846.50	925.11
Capacity utilization	**34.08%**	**30.51%**	**33.34%**
Installed capacity *(bottles in millions)*	64.60	64.60	64.60
Actual production volumes *(bottles in millions)*	8.10	8.60	1.36
Capacity utilization	**12.53%**	**13.33%**	**19.14%**
9. Orals, Jammu - 2			
Installed capacity *(tables/capsules in millions)*	36.00	36.00	36.00
Actual production volumes *(tables/capsules in millions)*	15.09	26.67	23.14
Capacity utilization	**41.93%**	**76.85%**	**64.29%**
Installed capacity *(vials in millions)*	15.30	15.30	15.30
Actual production volumes *(vials in millions)*	8.75	12.98	12.15
Capacity utilization	**57.22%**	**84.82%**	**79.44%**
Installed capacity *(bottles in millions)*	1.80	1.80	1.80
Actual production volumes *(bottles in millions)*	0.94	1.65	1.43
Capacity utilization	**51.96%**	**91.45%**	**79.43%**
10. Orals, Sikkim			
Installed capacity *(tables/capsules in millions)*	2,880.00	2,880.00	2,880.00
Actual production volumes *(tables/capsules in millions)*	395.02	283.92	190.55
Capacity utilization	**13.72%**	**9.86%**	**6.62%**
Installed capacity *(bottles in millions)*	25.20	25.20	25.20
Actual production volumes *(bottles in millions)*	1.22	3.29	1.07

Capacity utilization	**4.83%**	**13.06%**	**4.24%**
11. Orals, Bangalore			
Installed capacity *(bottles in millions)*	36.00	36.00	36.00
Actual production volumes*(bottles in millions)*	22.62	22.97	11.33
Capacity utilization	**62.84%**	**63.82%**	**31.48%**
12. Prefilled Syringes, Hinjawadi			
Installed capacity *(vials in millions)*	18.00	18.00	NA
Actual production volumes *(vials in millions)*	3.36	0.13	NA
Capacity utilization	**18.66%**	**0.72%**	NA
13. Oncology, Hinjawadi			
Installed capacity *(vials in millions)*	4.30	4.30	4.30
Actual production volumes *(vials in millions)*	0.56	0.45	0.37
Capacity utilization	**12.96%**	**10.42%**	**8.49%**
14. Orals, Mehsana[(1)]			
Installed capacity *(tablets/capsules in millions)*	NA	NA	NA
Actual production volumes *(tablets/capsules in millions)*	NA	NA	NA
Capacity utilization	NA	NA	NA

Note:

(1) These are newly acquired manufacturing facilities at which production has not begun.

Historically, an increase in capacity has not been met with an immediate corresponding increase in utilization rates and it has typically taken approximately four to five years to reach an optimal capacity utilization rate. In addition, we need to obtain government permits and customer pre-qualifications before we can fully utilize our expanded capacity. As a result, we have seen a delay in ramping up production and a lag in utilization rates after periods of capacity expansion or due to changes in the type of products being manufactured at a particular facility.

Research and Development

Our in-house R&D capabilities are the cornerstone of our operations and continued growth. We own and operate five dedicated R&D centers of which four are located in Pune, Maharashtra and one is located in Gandhinagar, Gujarat, and all of which are DSIR-approved. Our R&D team consists of 501 highly qualified scientists, 15 of whom are post doctorates, 39 of whom hold Ph.Ds and 381 of whom are post graduates, as of June 30, 2021. Our R&D teams are currently focused on the development of new and differentiated pharmaceutical formulations, sophisticated characterization of complex molecules, and product and process improvements to achieve better quality and efficiency for our existing products. As a result of our advanced research facilities, sophisticated equipment, talented R&D team and strong focus towards innovation, the Pune University has accredited one of our R&D centers as a Ph.D. center for prospective students to complete their thesis and research.

Our R&D team has been working on incorporating less-polluting alternatives in our manufacturing processes with the goal of avoiding the use of chlorinated solvents to the extent possible. We have undertaken projects to explore the possibilities where maximum outputs can be achieved with minimal solvent quantity by implementing technologies which are at the forefront of engineering such as evaluating process feasibility under flow-chemistry conditions. This enables a quantum reduction in solvent usage when compared to batch processes. In addition, the solvents used are recycled and we have achieved a recovery rate equivalent to 80% of the actual quantities used. We have upgraded our R&D processes to minimize waste generation through science-driven efforts.

Our R&D team includes an in-house regulatory affairs unit that is experienced in handling regulatory filings with regulators in the United States, the European Union, WHO-PQ and other jurisdictions and is capable of submitting DMFs, CEPs, ANDAs and Marketing Authorizations in common technical document ("**CTD**") format. We also have an in-house medical affairs unit, which is experienced in monitoring clinical trials, bioequivalence studies, pharmacovigilance, and toxicology studies.

Our R&D capabilities have led to the development of over 400 pharmaceutical products. As of June 30, 2021, we had filed over 1,500 dossiers globally including 208 in the European Union and 122 in Canada. As of June 30, 2021, we had been granted 161 patents and had 98 pending patent applications in several countries, and had submitted 98 DMFs for APIs with various regulatory agencies across the world. 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 the Financial Years 2021, 2020 and 2019, we spent ₹1,965.66 million, ₹1,631.81 million and ₹1,781.36 million, respectively, representing 3.91%, 4.06% and 5.07%, respectively, of our total proforma revenue from operations, on R&D.

Formulations research

We have three R&D centers dedicated to formulations. For our formulations research, our primary objective is to develop and launch niche products with limited competition and high entry barriers. Our domestic pharmaceutical products research team has a proven record in speed to market, having launched several pharmaceutical products for the first time in India, including dapoxetine, troxipide and ferric carboxymaltose and most of our range of chiral molecules such as S-amlodipine, S-metoprolol and S-Atenolol, according to CRISIL. We have in-house capability to develop complex generics in a wide range of dosage forms. For solid orals, we have capabilities to develop products with controlled release pharmaceutical products, taste masking and orally dissolving tablets. For injectables, we are able to handle liquids, lyophilized and sterile powder fill in vials as well as pre-filled syringes. We are developing novel drug delivery systems based on the liposomal and nanotechnology platforms, and have identified several antifungal, antibiotic and oncology products that can be developed and commercialized using these platforms. We are also strengthening our capabilities in product portfolios such as in-situ suspension, nano suspension, depot formulation, microsponges, lipid formulation and targeted drug therapy.

We also have one R&D center focused on biopharmaceuticals. We are primarily focused on biotechnology research for biologics, particularly for the key therapeutic areas of cardiovascular, neurology, nephrology, oncology and vaccines.

- *Biologics*. Our biologics research benefits from two in-house developed and established platforms (mammalian and microbial), which we have used to launch multiple niche products domestically and internationally. We have also developed an innovative perfusion-based bioreactor system. We believe that we are one the first adopters of continuous bio-manufacturing practices in India, which has allowed us to benefit from various manufacturing cost-efficiencies, as our bio-manufacturing facilities require lower capital expenditure to construct, occupy a smaller footprint, require lower operating expenditure and have relatively higher yield. Our current manufacturing processes are driven by an artificial intelligence machine learning (AI ML) model which is based on predictions, monitoring and control.

  Vaccines. We have various vaccines programs in the development phase that are funded by public-private partnerships and have in-house developed mRNA capabilities. We have developed an mRNA platform, which we are using to develop various vaccines and biopharmaceuticals. We are in the process of developing an mRNA COVID-19 vaccine, for which we benefit from funding from the Government of India, and have submitted the interim Phase I clinical trials data and the Phase II and Phase III protocol for the vaccine to the CDSCO. We are also in development stages for three other vaccines on our mRNA platform, for Zoster, Zika and Rabies.

API research.

We have one R&D center dedicated to APIs. As API research is the starting point for most of our initiatives in pharmaceutical products, we develop multiple synthetic routes for the same molecule and choose the route that is most robust and cost effective, and matches innovator product specifications. Our scientists have expertise in developing complex organic molecules including complex chiral molecules, cytotoxic drugs, immunosuppressants, and liquid and lyophilized APIs, polymer-based and iron-based chemistry, and peptides.

- *Chirality*. We believe we are pioneers in chiral chemistry. Chirality produces many benefits, which ultimately improve the efficacy and safety of treatment. For example, chirality increases receptor selectivity and potency, which reduces the required dosage (and metabolic load on the patient's body) and in many cases enhances the pharmacological effects. Chirality also reduces adverse effects and the potential for drug interactions by removing the inactive isomer. We have developed and commercialized 11 chiral molecules, six of which we launched for the first time in India, namely

Levamlodipine Besilate, S-Atenolol, Dexketoprofen Trometamol, Dexrabeprazole, S-Metoprolol Succinate and S-Pantoprazole Sodium Salt, according to CRISIL. Our chiral molecules have demonstrated greater effectiveness and safety, at lower doses, than their non-chiral counterparts.

- *Iron molecules.* Iron products need complex characterization techniques and require a niche skill-set to achieve desired quality. Our analytical research department has been able to master these skills to deliver such complex generics for our customers. We have successfully developed and commercialized iron molecules such as Iron-sucrose, Ferric-carboxymaltose and Ferrous ascorbate.

- *Antiretrovirals.* We have developed expertise in manufacturing antiretroviral APIs and have been able to reduce costs to enable supply at affordable prices. We have successfully developed and commercialized antiretroviral APIs such as Atazanavir, Ritonavir, Dolutegravir, Tenofovir.

- *Complex APIs.* These products, owing to their complex structural parameters, require unique process maneuvering. These complex molecules involve characterization and bioequivalence studies that require sophisticated spectroscopic and biochemical analysis. We have developed in-house abilities to handle all these requirements and to ensure the safety and efficacy of the complex generic APIs we develop. We have successfully developed and commercialized complex APIs such as low molecular weight heparin and Eribulin, which normally requires a 45-step synthesis process. We have also developed and commercialize a novel process for Treprostinil containing five chiral centers, which involves an asymmetric Pauson–Khand reaction.

In addition, our new R&D focus areas include flow chemistry, antibody drug conjugate and photon chemistry:

- *Flow chemistry*. The flow chemistry process enhances the rate of reaction by 1,000 times, giving rise to better yields, selectivity and continuous flow. The time in which reaction occurs in seconds or minutes, and the impurity formation is much lesser than the conventional batch process. Our R&D team is working on this technology to provide better quality drugs, with better yields and at affordable costs.

- *Photon chemistry*. Various transformations in organic synthesis occur in the presence of light. Absorption of visible or ultraviolet light by a molecule provides energy sufficient enough to break and reorganize the structure. Photon chemistry is a difficult proposition because the exact wavelength of light is critical to the transformation. The platform technology for photon chemistry has several applications for manufacturing complex vitamins and drugs. In particular, the technology for the development of Dydrogesterone (a drug used to prevent threatened or recurrent miscarriage during pregnancy) requires photon chemistry to isomerize functional groups.

- *Antibody drug conjugate*. An antibody drug conjugate involves coupling an anticancer drug to an antibody, where the latter specifically targets cancer cells. The science involves the understanding of both chemistry and biology at high levels, in which we have expertise.

Intellectual Property

We have a dedicated intellectual property team which is responsible for filing patents in both the Indian and overseas markets in our research, process and platform technology areas.

As of June 30, 2021, we had been granted 161 patents and had 98 pending patent applications in several countries, and had submitted 98 DMFs for APIs with various regulatory agencies across the world. We expect to continue to file patent applications seeking to protect our innovations and novel processes in both developed markets and emerging markets. Existing or future patents issued or licensed to us may provide some competitive advantages for our products, however, they may also be challenged, invalidated or circumvented by our competitors. In addition, such patent rights may not prevent our competitors from developing, using or commercializing products that are similar or functionally equivalent to our products.

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 of June 30, 2021, we held 2,069 registered trademarks including for our OROFER, METPURE, LOMOH, SPEGRA, ENCICARB, TEMSAN and EXAFIB brands, and had made applications seeking registration for 504 trademarks with the Registrar of Trademarks, under the Trademarks Act.

Quality Control and Quality Assurance

We believe that quality function is critical to our brand and continued growth. The provision of high quality products is a key differentiator in our business, critical to our continued success and the maintenance of long-term relationships with our customers. We are committed to providing high quality products to our customers and to meet this commitment, we have implemented current good manufacturing practices across our manufacturing sites, encompassing all areas of business processes right from supply chain to product delivery. This enables us to maintain consistent quality, efficiency and product safety.

Our quality assurance unit is independent of our production units. We implement and maintain best industry practices including for, adequate premises and space, suitable equipment and services, appropriate materials, approved procedures and instructions, and equipped laboratories. We recruit employees with a range of qualifications, including B. Pharm, M. Pharm, M.Sc. and Ph.D. to maintain diverse knowledge base. All personnel are required to undergo thorough training programs designed to update them on latest quality norms and standards periodically.

We have a comprehensive and harmonized approach towards quality and we have adopted streamlined manufacturing procedures across all our facilities aimed towards achieving standardized quality for all our markets and 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 maintain uniform standard of quality. Any remedial action or improvement done in one facility are ported to all other facilities. Our quality function monitors all stages of product development. Various in-process quality checks are performed to monitor product quality during the manufacturing process. Final finished products are tested as per the predetermined quality specifications before release in the market. All products are subjected to extensive stability testing program to understand the real product behavior during its shelf life. We also monitor in-market product quality through annual product quality review mechanism.

We perform regular audits on our manufacturing facilities and regularly review and update our procedures and practices to ensure compliance with international regulatory and cGMP requirements. Our internal audit procedures are also regularly updated to comply with any changes in international regulatory requirements, such as USFDA and WHO. Our manufacturing facilities have been inspected by and obtained approvals from various regulatory authorities including USFDA, MHRA (United Kingdom), Health Canada, ANVISA Brazil, and EDQM (Europe). All of our manufacturing facilities also have waste management and environment protection systems designed to comply with laws on environmental pollution. See also "– *Manufacturing Facilities and Approvals*" and "– *Environmental, Health and Safety*" on pages 190 and 199, respectively.

Internal Controls

We have a well-established internal control model governing our organization's functions to ensure effective risk management. The model comprises three lines of defense: (i) preventing risks – our business functions have primary responsibility for preventing risks in line with defined policies and procedures, and reports to senior management; (ii) preventing and detecting risks – our monitoring and oversight functions have primary responsibility for preventing and detecting risks, is in charge of monitoring risks and controls, legal compliance and enterprise risk management, and define the policies and procedures governing our internal control environment; and (iii) detecting risks – we have independent assurance and internal audit functions that act independently from the first and second lines of defense in line with a risk-based internal audit plan that is developed and approved by our Audit Committee, and independently reports to our Audit Committee. We have established an internal finance control framework which involves periodic monitoring of the effectiveness of our internal controls. In addition, we have a legal compliance framework pursuant to which compliance tasks are identified and delegated, and which includes a mechanism to monitor changes in the regulations applicable to our business and operations.

Marketing and Selling Arrangements

As of June 30, 2021, our sales and marketing team in India comprised 4,600 personnel who interact regularly with doctors and other healthcare providers to promote our pharmaceutical products. Our marketing team comprises professionals who have developed a variety of marketing techniques and programs to promote our products, including promotional materials, speaker programs and industry publications, advertising and other media. We also regularly participate in various international trade shows, exhibitions and meetings to promote our Company and our portfolio of products.

In India, we strategically use a division-based marketing approach to cater to specialist and super specialists by offering them a wide range of products from our various therapeutic areas. We have also established dedicated business units for marketing and sales purposes, each of which caters to specified therapeutic areas and the

target specialist medical practitioners in such 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.

We have also partnered with several leading multi-national pharmaceutical companies to market or in-license rights to their products in India and overseas. Such collaborations enable these corporations to leverage our strength in sales and marketing to expand their presence and, in turn, allows us to expand and offer a larger portfolio of products. We believe that we are one of the preferred marketing partners for multi-national companies due to our track record of successful partnerships, commitment to protecting the interest of such companies through the safeguarding of their intellectual property rights, and our strong execution capabilities supported by our technology platforms which are capable of handling complex products and our wide customer reach.

Competition

Our competition varies by market, therapeutic area and product category, and within each category, upon dosage strengths and drug delivery. Our principal competitors within India include leading Indian generics players such as Cipla, Dr Reddy, Torrent Pharma and Sun Pharma as well as leading multi-national pharmaceutical companies such as Sanofi, Abbott, Glaxo-Smith Kline, who operate in the Indian pharmaceutical market, in similar therapeutic areas. Our principal competitors in the international markets that we operate include regional players and multinationals.

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.

Customers and Suppliers

As of June 30, 2021, we had a diverse customer base of over 5,000 customers, comprising distributors, other pharmaceutical companies and healthcare providers who in turn sell our products to patients. We typically conduct our business on a purchase order basis, but may from time to time also enter into long-term agreements which set forth annual volumes of specific products to be delivered. For the Financial Years 2021, 2020 and 2019, no single customer contributed to more than 5.00% of our proforma revenue from operations.

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 materials such as excipients, manufacturing consumables, lab chemicals and packaging materials. We identify and approve multiple suppliers to source our key raw materials and we place purchase orders 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, China and Germany. We seek to de-risk our operations by continuing to diversify our procurement base, reduce the amount of materials that we import and procure more materials from Indian suppliers. We also conduct tests and analyses on raw materials supplied by our suppliers periodically to maintain quality standards. We carefully screen our suppliers and vendors based on our pre-defined criteria that takes into factors such as their ability to recycle, repurpose, reprocess or recover materials, their internal controls with respect to environmental and social aspects, their compliance with regulatory legislations, and their safety provisions and overall business conduct. We have implemented a system for due diligence where each supplier must provide certain details on their operations based on our in-house preliminary information questionnaire which covers various ESG aspects that allow us to ensure that our sourcing practices are in line with our long-term sustainability objectives. In addition, our manufacturing operations require a significant amount of power and water. For the Financial Years 2021, 2020 and 2019, no single supplier contributed to more than 5.00% of our proforma total expenses.

See also "*Risk Factors – Internal Risk Factors – Risks Related to Our Business – Any delay, interruption or reduction in the supply or transportation of our raw materials or finished products, or an increase in the costs of such raw materials and finished products, may adversely impact the pricing and supply of our products and have an adverse effect on our business.*" on page 46.

Information Technology

Our IT systems are vital to our business and we have adopted an IT policy to assist us in our operations. The key functions of our IT team include establishing and maintaining enterprise information systems and infrastructure

services to support our business requirements, maintaining secure enterprise operations through, among others, risk assessment, cybersecurity systems, planning and mitigation policies, and identifying emerging technologies which may be beneficial to our operations. We have implemented multiple automation systems at our manufacturing facilities which help us in our day-to-day operations. We have also implemented the use of enterprise resource planning in managing our financial accounting, materials, production planning, product quality, sales and distribution. We consistently make efforts to maintain and upgrade our systems to ensure business continuity.

Awards and Accreditations

Over the years we have been recognized for our qualitative performance in various functions. The following table sets forth certain awards and laurels that we have received in recent years:

Calendar year	Awards
2021	• Awarded the Golden Brand Impact Award at the Pronto Consult Consumer Awards for Ferium
2020	• Awarded the Platinum Impact Award at the Pronto Consult Consumer Awards for Vylda tablet • Awarded the Best API Patents Award 2018-2019 by the Indian Drug Manufacturers' Association at the IDMA Margi Memorial Best Patents Awards
2019	• Awarded the Brand of the Year Chronic/Subchronic Bronze Award at the AWACS Awards in Marketing Excellence for Orofer-XT • Awarded the Best Indian Patents Award 2017-2018 by the Indian Drug Manufacturers' Association at the IDMA Margi Memorial Best Patents Awards
2018	• Awarded the Best Indian Patents Award 2016-2017 by the Indian Drug Manufacturers' Association at the IDMA Margi Memorial Best Patents Awards • Awarded the New Introduction of the Year Chronic/Subchronic Gold Award at the AWACS Awards in Marketing Excellence for Emluz • Awarded the Brand of the Year Chronic/ Subchronic Gold Award at the AWACS Awards in Marketing Excellence for Orofer-XT • Awarded the New Introduction of the Year Chronic/Subchronic Silver Award at the AWACS Awards in Marketing Excellence for Instgra

Environmental, Health and Safety

We have an internal framework and governance structure in place for compliance with applicable standards and we are committed to complying with regulatory standards of the various markets where our products are sold. We have integrated sustainability throughout our operations through meaningful interventions in the form of environmental and safety management initiatives as well as measures to ensure our operations have minimal adverse impacts on the occupational health of our workforce.

We place a great emphasis on the effects of our operations on the environment and the impacts of climate change on our business as we believe these factors can significantly influence our resilience and long-term sustainability. We are subject to various Indian 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. To ensure compliance and adherence to responsible business practices, 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 seek to ensure that pollution levels from our operations are within the permissible limits prescribed by regulatory authorities through minimal usage of chlorinated solvents and promoting incorporation of less polluting alternatives. We take efforts to carefully utilize the water resource available to us, and work towards using water efficiently by reducing consumption, recycling and rainwater harvesting. We seek to optimize energy usage and minimize our dependence on conventional sources of energy by incorporating renewable alternative such as solar power where possible to reduce our carbon footprint and decarbonize our operations. We have also undertaken measures such as tree plantations to facilitate creation of carbon sinks.

We believe that accidents and occupational health hazards can be significantly reduced through a systematic analysis and control of risks and by providing appropriate training to our management and our employees. 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 believe that all our manufacturing facilities possess adequate effluent treatment processes, including facilities aimed towards zero liquid discharge, and minimize any contamination of the surrounding environment or pollution. In addition, we are committed to equal employment opportunities for our workforce globally. We have received various national awards from the National Safety Council, which reflects our commitment to enhancing our environmental and occupational safety performance.

Failure to comply with the applicable laws, regulations and directions may subject us to penalties and may also result in the closure of our facilities. See "*Risk Factors – Internal Risk Factors – Risks Related to Our Business – We are subject to extensive government regulations and if we fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business, our business, financial condition, results of operations and cash flows may be adversely affected.*" on page 48.

Corporate and Social Responsibility

We have adopted a corporate social responsibility ("**CSR**") policy in compliance with the requirements of the Companies Act, 2013. For the Financial Years 2021, 2020 and 2019, our CSR expenses based on our Restated Consolidated Financial Statements amounted to ₹84.90 million, ₹69.72 million and ₹73.28 million, respectively, which were greater than the required CSR expenditure amounts under the Companies Act, 2013, demonstrating our continuing support and commitment to CSR. Our CSR activities are monitored by the CSR Committee of our Board, which is chaired by an independent board member and is responsible for monitoring and executing our CSR policy.

Our CSR activities are primarily focused on initiatives relating to health, education and the environment, particularly in the geographical areas near our manufacturing facilities.

We sponsor health awareness camps and organize doctor visits and medical treatment areas for underprivileged residents of low income areas. We also fund the provision of health education and medical treatment, including weekly visits by qualified doctors, to orphanages, as well as regular free dental and general health check-up camps for children at primary and secondary schools. In addition, we fund cleft lip surgeries for children in remote areas or economically marginalized families. We organize clothing drives for distribution to people in need in partnership for NGOs, and encourage our employees to participate in blood donation.

We regularly organize medical camps and focus on increasing awareness about issues such as diabetes and anemia, which are commonly observed among the rural population. We have also undertaken the responsibility of catering to the medical needs of local residents in rural villages where we operate. With regards to our contribution towards the education of youth, we collaborate with various NGOs and provide financial support to students pursuing academics and vocational trainings for better employment opportunities.

We work with several NGOs in the education space to sponsor various educational activities and competitions. We provide college sponsorships and educational fellowships. We also distribute school bag kits to underprivileged primary school children. We organize an annual Diwali fair at a number of our operations sites where products made by children from various NGOs are displayed and purchased by our employees, and proceeds from the fair are earmarked for the sponsorships of education of the children from the NGOs.

We participate in various environmental initiatives with NGOs targeted at promoting environmental sustainability and the conservation of resources. Some of these initiatives include tree plantation activities, cleaning rivers, sponsoring the manufacturing and sale of recyclable items, as well as conducting workshops to spread awareness on environmental issues.

We are actively involved in disaster relief. During the unprecedented floods in Western Maharashtra in August 2019, we were one of the first ones to reach the marooned villagers with relief medicines and water purifying kits. We have also funded the installation of water purifiers with storage tanks in high schools to provide safe drinking water to school children. In addition, to support our communities in and around the Pune city area during the nationwide lockdown caused by the COVID-19 pandemic, we distributed PPE kits, masks, sanitizers, gloves and face shields to the local authorities, staff/residents of the Sassoon Hospital and Aundh Hospital. We contributed funds to the outpatient department of the COVID-19 Care Centre in Pune as part of our association with "My family, My Responsibility", a Government of Maharashtra initiative against COVID-19. We donated android tables to students of various schools to facilitate education through electronic modes during the lockdown. We also donated blankets to the Safai Karmachari of Khadki Cantonment Board at Khadki Station

Headquarters. Furthermore, we provided meals and transportation to migrant workers who were stranded due to the lockdown measures in India.

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 customary for companies operating in our industry. Our principal types of coverage include insurance for industrial all risk, product liability, directors' and officers' liability, group medical claim, group personal accident and business travel accident. Our policies are subject to customary exclusions and deductibles. See also "*Risk Factors – Internal Risk Factors – Our insurance coverage may not be sufficient or adequate to cover our losses or liabilities. If we suffer a large uninsured loss or if we suffer an insured loss that significantly exceeds our insurance coverage, our financial condition and results of operations may be adversely affected.*" on page 64.

Employees

Our work force is a critical factor in maintaining quality and safety, which strengthen our competitive position. We train our employees on a regular basis to increase the level of operational excellence, improve productivity and maintain compliance standards on quality and safety. We offer our employees performance-linked incentives and benefits and conduct employee engagement programs from time-to-time. We also seek to foster a positive and friendly workplace culture and organize various interactive initiatives including by holding regular work celebrations and friendly competitions. We strive to foster gender diversity within our organization and consider women as an essential part of our workforce. We undertake initiatives to promote their professional growth and development through regular interactions with leaders to motivate and assist them in taking up more leadership roles. We believe we have good relations with our employees and their labor unions and have not experienced any work disruptions to date.

In line with our vision, our Corporate Learning & Development team aims to enhance and sustain the performance of our employees by continuously developing both functional and behavioral competencies across businesses. To support this, we have formulated a set of trainings that also include sector specific modules, which are mandatory for all our employees to attend every year. Continuous growth and learning is an integral part of our culture, and we ensure that all our employees dedicate a minimum number of hours every year towards skill enhancement and development. We believe these initiatives are key to keeping our employees updated on evolving business dynamics.

As of June 30, 2021, we had 9,186 permanent employees. The following table sets forth a breakdown of our permanent employees by function, as of June 30, 2021.

Function	**Number of Employees**
Sales and marketing	5,056
Manufacturing	1,794
Quality	980
R&D	541
Corporate	492
Operations	223
Regulatory	100
Total	**9,186**

Properties

Our Registered Office is located at Emcure House, T-184, M.I.D.C., Bhosari, Pune – 411 026, Maharashtra, India, and our Corporate Office is located at Plot No. P2, IT-BT Park, Phase II, M.I.D.C., Hinjawadi, Pune - 411057, Maharashtra, India, and both offices are held by us on leasehold basis. In addition, we have our manufacturing facilities, research and development facilities, sales and marketing and administration offices in various locations such as Jammu, several districts of Pune, Ahmedabad and Mumbai, the majority of which are occupied by us on leasehold basis. For further details, see "*Risk Factors – Internal Risk Factors – Risks Related*

to Our Business – We do not own our Registered Office and the majority of the other premises from which we operate." on page 71.

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 developing, manufacturing and global marketing of broad range of pharmaceutical products for all major therapeutic areas. 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 390.

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") and the Drugs and Cosmetics Rules, 1945 ("DCA Rules")

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.

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. Under the DPCO, the Central Government may issue directions to the manufacturers of active pharmaceutical ingredients or bulk drugs or formulations to increase production and sell such active pharmaceutical ingredient or bulk drug to such manufacturers of formulations and direct the formulators to sell the formulations to institutions, hospitals or any agency. 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.

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 transhipment 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 Drugs and Clinical Trial Rules, 2019("**DC Rules**") lay down the process mechanics and guidelines for clinical trial, including procedure for approval for clinical trials. Clinical trials require obtaining of free, informed and written consent from each study subject. The DC 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 DC 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.

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.

National Pharmaceuticals Pricing Policy, 2012 (the "2012 Policy")

The drug policy of 1994 was replaced by 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 would be regulated based on the essential nature of the drugs rather than the economic criteria/market share principle adopted in the drug policy of 1994. Further, the 2012 Policy will regulate 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.

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.

Any manufacturer dealing with instruments for weights and measuring of goods must procure a license from the state department under the LM Act. Any non-compliance or violation under the LM Act may result in, *inter alia*, a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

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, 2021) 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.

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")

The EP Act has been enacted for the protection and improvement of the environment. 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 enable bureaucrats 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. The term "*hazardous waste*" has been defined in the Hazardous Waste Rules and any person who has, control over the affairs of the factory or the premises or any person in possession of the hazardous waste has been defined as an "*occupier*". 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;
- 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 for 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.

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.

Indian Stamp Act, 1899 ("Stamp Act")

The Stamp Act requires stamp duty to be paid on all instruments specified in Schedule 1 of the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state. Instruments chargeable to duty under the Stamp Act, which are not duly stamped, cannot be admitted in court as evidence of the transaction contained therein. The Stamp Act further provides for impounding of instruments that are not sufficiently stamped or not stamped at all by the collector and he may impose a penalty of the amount of the proper stamp duty, or the amount of deficient portion of the stamp duty payable.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was originally incorporated as Emcure Pharmaceuticals Private Limited as a private limited company under the provisions of the Companies Act, 1956, pursuant to a certificate of incorporation dated April 16, 1981 issued by the Registrar of Companies, Maharashtra at Bombay. Our Company became a deemed public company under section 43A (1A) of the Companies Act, 1956 with effect from July 1, 1993 the word 'Private' was removed from the name of our Company and the certificate of incorporation of our Company was endorsed by the Registrar of Companies, Maharashtra at Bombay to that effect. Subsequently, our Company was converted from a deemed public company into a public company and the name of our Company was changed to 'Emcure Pharmaceuticals Limited', pursuant to our shareholders resolution dated August 20, 2001 and a fresh certificate of incorporation was issued by the Registrar of Companies, Maharashtra at Pune on September 18, 2001.

Changes in the registered office

Except as disclosed below, there has been no change in our registered office since incorporation.

Date of change of registered office	Details of the address of registered office	Reasons for the change of the registered office
November 3, 1981*	Registered office of our Company was changed from 4, Bombay - Pune Road, Kirkee, Pune 411 003 to 502, Ashok Nagar, V N Purav Marg, Sion Trombay Road, Mumbai 400 022	Business and commercial reasons
April 24, 1982*	Registered office of our Company was changed from 502, Ashok Nagar, V N Purav Marg, Sion Trombay Road, Mumbai 400 022 to R B Estate, Phugewadi, Dapodi, Pune 411 012	Operational convenience
July 23, 2001	Registered office of our Company was changed from R B Estate, Dapodi, Pune 411 012 to "Emcure House", T-184, MIDC, Bhosari, Pune 411 026	Operational convenience

Certain secretarial records for changes in the registered office of our Company could not be traced as the relevant information was not available in the records maintained by our Company, the Ministry of Corporate Affairs at the MCA Portal and the RoC. Accordingly, we have relied on the search report dated August 17, 2021 prepared by Manish Ghia & Associates, independent practicing company secretary, and certified by their certificate dated August 17, 2021 ("RoC Search Report**"). For details of risks arising out of missing or untraceable past secretarial records of our Company, see "Risk Factors – Some of our corporate records relating to forms filed with the RoC and other authorities in India are not traceable" on page 61.*

Main objects of our Company

The main objects contained in the Memorandum of Association of our Company are as mentioned below:

To manufacture, buy, sell, refine, manipulate, process, distill, compound, tablet, acquire, import, export or otherwise deal in pharmaceuticals, drugs and medicines, antibiotics, herbal, bacteriological and biological products, preparations and supplies of insecticides, pesticides, surgical supplies, pharmaceutical supplies, adhesives, disinfectants, sprays, cosmetics and all other similar products, perfumes and essences, soaps, washing materials, salves, ointments, powders, toilet preparations and similar articles, plaster of paris, gypsum, oils, laboratory reagents.

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently carried out as well as business proposed to be carried out by the Company.

Amendments to our Memorandum of Association in the last 10 years

Sr. No.	Date of Shareholders' resolution	Particulars
1	February 8, 2013	The authorised equity share capital of our Company was reconstituted from ₹600,000,000 divided into 40,000,000 equity shares of ₹10 each and 20,000,000 preference shares of ₹10 each to ₹600,000,000 divided into 60,000,000 equity shares of ₹10 each. In the same meeting, the authorised share capital of our Company was increased from ₹600,000,000 divided into 60,000,000 equity shares of ₹10 each to ₹1,200,000,000 divided into 120,000,000 equity shares of ₹10 each.
2	March 22, 2016	The authorised share capital of our Company was increased from ₹1,200,000,000 divided into 120,000,000 equity shares of ₹10 to ₹ 2,000,000,000 divided into 200,000,000 equity shares of ₹10

Sr. No.	Date of Shareholders' resolution	Particulars
		each.
3	July 30, 2021	The authorised share capital of our Company was increased from ₹ 2,000,000,000 divided into 200,000,000 equity shares of ₹10 each to ₹ 2,500,000,000 divided into 250,000,000 equity shares of ₹10 each.

Major events and milestones

The table below sets forth some of the major events and milestones in the history of our Company:

Calendar Year	Event /milestone
1981	Our Company was incorporated as Emcure Pharmaceuticals Private Limited
1999	Amalgamation of Lasor Drugs Limited with our Company.
2001	Our Company was converted from a deemed public company into a public company
	Amalgamation of Emcure Laboratories Private Limited., Lasor Laboratories Limited, Lasor Remedies Limited, Nucron Pharmaceuticals Limited and Hiraral Mehta Sales Private Limited with our Company.
2002	Our Company received approval to manufacture "S (-) Amlodipine Besilate tablets Asomex"
2006	Blackstone GPV Capital Partners Mauritius V-C Ltd. subscribed to 226,325 Equity Shares of our Company and 17,931,642 optionally convertible redeemable preference shares of our Company convertible into 100 Equity Shares for every 417 optionally convertible redeemable preference shares for the total investment of ₹2,250 million.
	Our Company established facility at Kurkumbh
	Our Company commenced operations of injectables facility at Hinjawadi
2007	Facility established by our Subsidiary, Gennova Biopharmaceuticals Limited (erstwhile Emcure Biotech Limited) at Hinjawadi became operational.
	Gennova Biopharmaceuticals Limited, our Subsidiary, received approval from the CDSCO to start manufacturing "Recombinant Tissue Plasminogen Activator (TNK-t-PA)"
2009	Our Company commenced operations at the solid orals facility at Jammu**.**
2012	Our Company acquired rights of BiCNU®, a branded oncology product prescribed for treatment of brain tumors, multiple myeloma, Hodgkin's disease and non-Hodgkin's lymphoma
2014	BC Investments IV Limited acquired 13.09% stake in our Company from Blackstone GPV Capital Partners Mauritius V-C Ltd (5,918,386 Equity Shares) by virtue of the SHA
	Our Company through its Subsidiary, Zuventus Healthcare Limited, obtained consent for establishment of industrial unit at Sikkim
2016	Tenecteplase (TNK – t – PA), manufactured by Gennova Biopharmaceuticals Limited, approved for thrombolytic treatment of the acute ischemic stroke within three hours of stroke initiation
2017	Our Company through its Subsidiary, Zuventus Healthcare Limited, established a manufacturing facility at Bengaluru.
2018	Our Company received licence to work a factory at Sanand, Gujarat.
2021	Gennova Biopharmaceuticals Limited, our Subsidiary gets approval for conducting clinical trials of COVID-19 mRNA vaccine

For further details in relation to capacity/facility creation, location of plants, launch of key products or services, entry in new geographies or exit from existing markets, see "*Our Business*" on page 177.

Key awards, accreditations or recognitions

Our Company has received the following awards, accreditations and recognitions

Year	Awards, Recognitions and Accreditations
2012	Received the Pharmexcil Silver Patent Award for 2011-2012 for commendable contribution in Bulk Drugs / APIs Category
2013	Received the Pharmexcil Silver Patent Award (Bulk Drugs) for 2012-2013 for commendable contribution in developing pharmaceutical patents
2014	Received the Pharmexcil Gold Patent Award for 2013-2014 for commendable contribution in Bulk Drugs / APIs Category
2015	Received the Pharmexcil Silver Patent Award for 2014-2015 for commendable contribution in Bulk Drugs / APIs Category
2016	Received the Best API Patent Award 2014-2015 by Indian Drug Manufacturers' Association in IDMA Margi Memorial Best Patents Awards

2017	Received the Best Indian API Patents Award 2015-2016 by Indian Drug Manufacturers' Association in IDMA Margi Memorial Best Patents Awards
	Received recognition from the Limca Books of Records for conducting 16,442 haemoglobin detection tests in a single day across 33 centres in India
	Received the Best New Introduction of the Year Silver Award by AWACS (21-50 Acute Category) for introducing Sporaz.
	Received the New Introduction of the Year Silver Award in the AWACS Awards in Marketing Excellence for Ceastra.
	Received the New Introduction of the Year Silver Award in the AWACS Awards in Marketing Excellence for Osteri.
	Received the Brand of the Year Silver Award in the AWACS Awards in Marketing Excellence for Orofer XT
2018	Received the Best API Patents Award 2016-2017 by Indian Drug Manufacturers' Association in IDMA Margi Memorial Best Patents Awards
	Received the New Introduction of the Year Chronic/Subchronic Gold Award in the AWACS Awards in Marketing Excellence for Emluz.
	Received the Brand of the Year Chronic/ Subchronic Gold Award in the AWACS Awards in Marketing Excellence for Orofer XT
	Received the New Introduction of the Year Chronic/Subchronic Silver Award in the AWACS Awards in Marketing Excellence for Instgra
2019	Received the Best Indian Patents Award 2017-2018 by Indian Drug Manufacturers' Association in IDMA Margi Memorial Best Patents Awards
	Received the Brand of the Year Chronic/Subchronic Bronze Award in the AWACS Awards in Marketing Excellence for Orofer XT
2020	Received the Best API Patents Award 2018-2019 by Indian Drug Manufacturers' Association in IDMA Margi Memorial Best Patents Awards
	Received the Platinum Impact Award in the Pronto Consult Consumer Award for Vylda
2021	Received the Golden Brand Impact Award – in the Pronto Consult Consumer Award for Ferium

Our holding company

As on the date of this Draft Red Herring Prospectus, the Company does not have any holding company.

Our Subsidiaries and joint ventures

As on the date of this Draft Red Herring Prospectus, our Company has following (a) two direct Indian Subsidiaries: (1) Gennova Biopharmaceuticals Limited and (2) Zuventus Healthcare Limited; (b) 12 direct foreign Subsidiaries: (1) Emcure Nigeria Limited (2) Emcure Pharmaceuticals Mena FZ-LLC (3) Emcure Pharmaceuticals South Africa (Pty) Limited (4) Emcure Brasil Farmaceutica Ltda (5) Emcure Pharma UK Ltd (6) Emcure Pharma Peru S.A.C (7) Emcure Pharma Mexico S.A. DE C.V. (8) Marcan Pharmaceuticals Inc. (9) Emcure Pharmaceuticals Pty Ltd. (10) Emcure Pharma Chile SpA (11) Lazor Pharmaceuticals Limited and (12) Emcure Pharma Philippines Inc.; and (c) seven indirect foreign Subsidiaries: (1) Tillomed Pharma GmbH (2) Tillomed Laboratories Ltd (3) Emcure NZ Limited (4) Laboratorios Tillomed Spain SLU (5) Tillomed Italia SRL (6) Tillomed France SAS (7) Tillomed Laboratories B.V. For details of our Subsidiaries, see the section titled "*Our Subsidiaries*" beginning on page 218. Our Company does not have any joint ventures as on the date of this Draft Red Herring Prospectus.

Time and/or cost overrun in setting up projects by our Company

Our Company has not experienced any time or cost overruns in relation to any projects set up by our Company in the last 10 years preceding the date of this Draft Red Herring Prospectus.

Defaults or rescheduling/restructuring of borrowings with financial institutions/banks

As on the date of this Draft Red Herring Prospectus, our Company has not defaulted on repayment of any loan availed from any banks or financial institutions. The tenure of repayment of any loan availed by our Company from banks or financial institutions has not been rescheduled or restructured. However, in response to the COVID-19 pandemic, the RBI allowed banks and lending institutions to offer moratoriums to their customers to defer payments under loan agreements. Pursuant to such measures, we availed a moratorium offered by the RBI to defer payments under a few financing arrangements.

Details regarding material acquisitions or divestments of business/undertakings, mergers or amalgamation, and any revaluation of assets in the last 10 years

Except as disclosed below, our Company has not undertaken any merger, demerger, amalgamation, material acquisitions or divestments of any business or undertaking, or any revaluation of assets in the last 10 years preceding the date of this Draft Red Herring Prospectus.

Composite scheme of arrangement between the Company and Avet Lifesciences Limited and their respective shareholders.

Our Company filed the Scheme of Arrangement under Sections 230 to 232 read with Section 52 and Section 66 of the Companies Act, 2013 with NCLT, Mumbai, seeking approval for the demerger of the US Market Business (as defined below) of our Company and vesting of the same in Avet Lifesciences Limited ("**Resulting Company**") and reduction of equity share capital of the Resulting Company by extinguishing of equity shares held in the Resulting Company by certain identified shareholders. The rationale for the Scheme was, amongst other things, as follows:

a. To have focused investments in research and development vis-a vis other markets;
b. Segregation of the Demerged Undertaking (defined below) to the Resulting Company, to unlock the true potential of each business vertical, which require focused management bandwidth and attention to execute each market segment's respective vision;
c. To strengthen customer service, distribution network, overall economies of scale for both the businesses;
d. To provide higher degree of flexibility to evaluate independent business opportunities as well as attract the right set of investors, strategic partners, lenders and other stakeholders; and
e. To improve the earnings per share and enhance the shareholders' value for remaining shareholders by undertaking capital reduction of equity share capital of Avet held by certain identified shareholders.

The Scheme of Arrangement was approved by the Board of Directors of the Company at its meeting held on November 9, 2020. The Scheme of Arrangement provided for the transfer and vesting of all business activities of our Company, directly or indirectly through subsidiaries, consisting of registration, manufacturing, research and development and commercialisation including marketing, sales, promotion and distribution of formulation products at the United States of America but excluding i) all APIs and ii) ANDAs for AntiRetroVirals related to the U.S. President's Emergency Plan for AIDS Relief (PEPFAR) program ("**US Market Business**") with effect from April 1, 2021 (the "**Appointed Date**") upon the Scheme of Arrangement becoming effective (the "**Effective Date**"), into the Resulting Company as a going concern, including *inter alia* all assets and properties, plant and machinery, receivables, trademarks, investments in shares and other securities (including investments in Heritage Pharma Holdings Inc.), liabilities, debts, specific loans and borrowings, permits, licenses, intellectual property rights, legal or other proceedings of our Company pertaining to the US Market Business (together, the "**Demerged Undertaking**"). In consideration of the demerger of the Demerged Undertaking, the Resulting Company issued and allotted to the shareholders of our Company one equity share of ₹ 10 each of the Resulting Company for every 10 Equity Shares. Further, 2,635,556 equity shares, amounting to 14.57% of the paid up share capital of the Resulting Company held by certain identified shareholders were cancelled and an amount of Rs. 561.81 per share was paid to these identified shareholders for each share held by them.

The Scheme of Arrangement was approved by the NCLT, Mumbai pursuant to its order dated June 4, 2021 ("**Order**") and the Order was filed by our Company with the RoC on July 25, 2021, being the Effective Date.

Asset Purchase and Sale Agreement dated November 28, 2012 entered into between Bristol Myers Squibb Company and our Company

Our Company has acquired all rights, title and interest relating certain assets, including pharmaceuticals products manufactured, distributed, offered for sale or sold under BICNU, BECENUN or CARMUBRIS trademarks from Bristol-Myers Squibb Company through the asset purchase and sale agreement dated November 28, 2012.

Asset and Share Purchase Agreement dated September 23, 2015 entered into between Emcure Pharmaceuticals Canada Limited, Emcure Pharmaceuticals Limited, The Atul Aggarwal (2007) Family Trust, The Navneet Aggarwal (2007) Family Trust, A&R (IPG) Holdings Inc., N&M (IPG) Holdings Inc. Atul Aggarwal, Navneet Aggarwal and International Pharmaceutical Generics USA Inc., the Amended and Restated Asset and Share Purchase Agreement dated November 8, 2015 entered into between Emcure Pharmaceuticals Canada Limited, Emcure Pharmaceuticals Limited, The Atul Aggarwal (2007) Family Trust, The Navneet Aggarwal (2007) Family Trust, Ram Villa Investments Ltd., RS313 Holdings Ltd., Arjshiv Investments Inc., Arsh Holdings Inc., Atul Aggarwal, Navneet Aggarwal and International Pharmaceutical Generics USA Inc. along with the First Amendement to the Amended and Restated Asset

and Share Purchase Agreement dated March 29, 2018, the Preferred Share Purchase Agreement dated November 9, 2015 between Rs313 Holdings Ltd., Emcure Pharamaceuticals Canada Limited, Emcure Pharmaceuticals Limited, Atul & Richa Aggarwal Family Trust (2015), Atul Aggarwal and Richa Aggarwal along with the First Amendement to the Preferred Share Purchase Agreement dated March 29, 2018 and Preferred Share Purchase Agreement dated November 9, 2015 between Arsh Holding Inc., Emcure Pharamaceuticals Canada Limited, Emcure Pharmaceuticals Limited, Nav & Mona Aggarwal Family Trust (2015), Navneet Aggarwal and Juhi Aggarwal along with the First Amendement to the Preferred Share Purchase Agreement dated March 29, 2018 and amended and restated preferred shares purchase agreement between Arsh Holdings Inc., Emcure Canada Inc., Marcan Pharmaceuticals Inc., Emcure Pharmaceuticals Limited, Nav & Mona Aggarwal Family Trust (2015), Atul & Richa Aggarwal Family Trust (2015), Navneet Aggarwal, Ram Villa Investments Ltd., Arjshiv Investments Inc. and Juhi Agarwal dated August 11, 2021 along with amended and restated preferred shares purchase agreement between Rs313 Holdings Ltd., Emcure Canada Inc., Marcan Pharmaceuticals Inc., Emcure Pharmaceuticals Limited, Atul & Richa Aggarwal Family Trust (2015), Atul Aggarwal, Ram Villa Investments Ltd and Richa Aggarwal dated August 11, 2021.

Our Company, through Emcure Pharmaceuticals Canada Limited, had acquired the shares of Marcan vide asset and share purchase agreement dated September 23, 2015 read with amended and restated asset and share purchase agreement dated November 8, 2015. Thereafter, Emcure Pharmaceuticals Canada Limited, International Pharmaceuticals Generics Limited and IPG (2015) Inc. were amalgamated with Marcan on November 9, 2015. Under these agreements, consideration was payable by our Company in the form of promissory notes as well as preferred shares. Preferred share payment was based on the achievement of specific EBITDA levels of Marcan for the year ended March 31, 2021, or at the option of sellers for the year ended March 31, 2022, limited to a maximum of CAD 48 million. Further, our Company had guaranteed the obligations of Emcure Pharamaceuticals Canada Limited under these agreements. In December 2020, the sellers under these agreements notified their intent to redeem the preferred shares. On August 11, 2021, a consideration of CAD 47.25 million was made in terms of the amended and restated preferred share agreements.

Share Purchase Agreement dated September 29, 2016 entered into between Directorship Cibeles, S.L., Legal Management Advisory S.L. and Emcure Pharma UK Limited.

Our Company through one of its subsidiaries *i.e.*, Emcure Pharma UK Limited acquired 2,999 shares of Soroa Directorship, S.L from Legal Management Advisory, S.L. and one share of Soroa Directorship, S.L from Directorship Cibeles, S.L., respectively, representing 100% of the share capital of Soroa Directorship, S.L., a Spanish limited liability company, by way of a share purchase agreement dated September 29, 2016.

Share Purchase Agreement dated January 12, 2016 entered into between Emcure Pharma UK Limited, Mr. Bhupendra Mohan Bhardwaj, Simone Moller Bhardwaj and Bhardwaj Pharma GmbH.

Through a share purchase agreement dated January 12, 2016, our Company through one of its subsidiaries *i.e.*, Emcure Pharma UK Limited acquired four shares of Bhardwaj Pharma GmbH, representing 100 % of its share capital of Bhardwaj Pharma Gmbh, a company incorporated in Germany, from Bhupendra Mohan Bhardwaj and Simone-Moller Bhardwaj.

Share Purchase Agreement dated June 1, 2017 entered into between Emcure Pharmaceuticals Pty Limited, NAZO Trust, Musharraf Mahmood Ginai, Nazma Tasneem Ginai and Ginai Pharmaceuticals Limited

Through a share purchase agreement dated June 1, 2017, our Company through one of its subsidiaries *i.e.*, Emcure Pharmaceuticals Pty Limited acquired 1,000 shares of Ginai Pharmaceuticals Limited, representing 100 % of the share capital of Ginai Pharmaceuticals Limited, a company incorporated under the laws of New Zealand, from NAZO Trust.

Amalgamation agreement dated August 13, 2021 ("Amalgamation Agreement") amongst Emcure Canada Inc. ("ECI"), Marcan Pharmaceuticals Inc., Arsh Holdings Inc.("ARSH") and Rs313 Holdings Ltd., ("Rs313") (collectively, the "Parties")

Pursuant to Amalgamation Agreement, the Parties amalgamated effective August 13, 2021 ("**Effective Date**"), wherein Marcan Pharmaceuticals Inc. continued as an amalgamated corporation ("**Amalgamated Corporation**").

Pursuant to the Amalgamation Agreement, on the Effective Date, (a) 100,000 issued and outstanding common shares in the capital of ECI immediately before the amalgamation remained outstanding and were to be changed into common shares of Amalgamated Corporation; (b) 24,380,001 issued and outstanding common shares in the capital of Marcan immediately before the amalgamation remained outstanding and were to be changed into common shares of the Amalgamated Corporation; (c) 48,000,000 issued and outstanding Class A preferred shares in the capital of Marcan immediately before the amalgamation were to be cancelled without any repayment of capital in respect thereof; (d) all of the issued and outstanding Class C common shares, Class D common shares, Class A special shares, Class D special shares, Class E special shares, Class F special shares, Class G special shares and Class H special shares in the capital of ARSH immediately before the Amalgamation were to be cancelled without any repayment of capital in respect thereof; and (e) all of the issued and outstanding Class C common shares, Class D common shares and Class D special shares in the capital of Rs313 immediately before the Amalgamation were to cancelled without any repayment of capital in respect thereof. Further, the Amalgamated Corporation issued 24,480,001 common shares to our Company on August 13, 2021.

Significant financial and/or strategic partners

Our Company does not have any significant financial and / or strategic partners as of the date of this Draft Red Herring Prospectus.

Details of shareholders' agreements and other agreements

Shareholders' agreement dated December 18, 2013 amongst the Company, Promoters, Namita Thapar, Samit Mehta, Bhavana Mehta, Vikas Thapar, Pushpa Mehta, Sanjay Mehta, Kamini Mehta, Sonali Mehta, Rutav Mehta, Rajnikant Mehta, Anvi Mehta, Manan Mehta, Niraj Mehta and BC Investments IV Limited, ("2013 Shareholders' Agreement") as amended by the first amendment to shareholders' agreement dated November 9, 2020 ("First Amendment") and the amendment agreement dated July 27, 2021 amongst the Company, Satish Mehta, Namita Thapar, Samit Mehta, Bhavana Mehta, Vikas Thapar, Pushpa Mehta, Sunil Mehta, Sanjay Mehta, Kamini Mehta, Sonali Mehta, Rutav Mehta, Anvi Mehta, Manan Mehta and Niraj Mehta, and BC Investments ("Amendment Agreement", and together with the 2013 Shareholders' Agreement and First Amendment, the "SHA")

Pursuant to the share purchase agreement dated December 18, 2013 ("**SPA**") between BC Investments IV Limited ("**BC Investments**") and Blackstone GPV Capital Partners Mauritius V-C Limited and a transaction agreement dated December 18, 2013 between the Company and BC Investments ("**Purchase Agreements**") BC Investments agreed to acquire 5,918,386 Equity Shares of our Company from Blackstone GPV Capital Partners Mauritius V-C Limited.

Pursuant to the Purchase Agreements, the 2013 Shareholders' Agreement was executed amongst our Company,Promoters, Namita Thapar, Samit Mehta, Bhavana Mehta, Vikas Thapar, Pushpa Mehta, Sanjay Mehta, Kamini Mehta, Sonali Mehta, Rutav Mehta, Rajnikant Mehta, Anvi Mehta, Manan Mehta, Niraj Mehta and BC Investments to record the terms and conditions regulating the relationship of the parties to the SHA and for certain matters relating to the acquisition of shares by BC Investments. The 2013 Shareholders' Agreement as amended by the First Amendment sets out, amongst others,the following: (a) right of BC Investments and its affiliates to nominate one director ("**Investor Director**") on the Board and any committee constituted by the Board of Directors, including the audit committee, remuneration committee and IPO committee of the Company, as well as right of BC Investments to nominate an alternate director; (b) certain identified matters in relation to our Company and Subsidiaries, an affirmative written consent or approval of at least a majority of the Directors and of the Investor is required to be taken, which include, amonst others, issuance and allotment of equity and convertible securities, disposal of equity securities of any Subsidiary, changing statutory auditors of the Company or any Subsidiary; (c) right of first offer of the parties (except our Company) to the 2013 Shareholders' Agreement; (d) tag-along right of BC Investments; and (d) pre-emptive rights of our Shareholders.

By way of the Amendment Agreement dated July 27, 2021, the parties have agreed to waive certain terms of the SHA including, amongst others, right of first offer, tag along rights, pre-emptive rights, BC Investment's right to appoint director on the committees of the Board, as well as amend other terms, pursuant to the Offer. In terms of the Amendment Agreement, the SHA shall terminate on the date on which the Equity Shares of our Company are admitted to listing and trading on the Stock Exchange pursuant to the Offer. However, the Amendment Agreement provides that subject to approval of the Shareholders by way of a special resolution, post listing of the Equity Shares, BC Investments shall have the right to appoint one nominee Director on our Board, till the

time BC Investments continues to hold at least 4% of the issued Equity Share capital of our Company (on a fully diluted basis).

Further, the Amendment Agreement shall continue until the earlier of (a) the Amendment Agreement being terminated by the mutual written agreement of the parties; (b) with regard to any shareholder who is party to the Amendment Agreement, upon such shareholder, either directly or together with their respective affiliates, ceasing to hold any Equity Shares in the Company; or (c) in the event that the Equity Shares of the Company are not admitted to listing and trading on the Stock Exchange(s) pursuant to the IPO on or prior to March 31, 2022, or such other extended date as mutually agreed to between the parties in writing.

Further, Part I of the Articles of Association of our Company shall continue to be in effect after the listing date, and Part II of the Articles of Association of our Company shall terminate on the date on which the Equity Shares of our Company are admitted to listing and trading on the Stock Exchange pursuant to the Offer.

Guarantees given by our Promoter Selling Shareholder

As of the date of this Draft Red Herring Prospectus, our Promoter Selling Shareholders have not provided any guarantees to third parties.

Key terms of other subsisting material agreements

Except as disclosed in "*History and Certain Corporate Matters*─ Details of shareholders" agreements and other agreements" above, our Company has not entered into any subsisting material agreements other than in the ordinary course of business of our Company.

Other confirmations

Neither our Promoter nor any of the Key Managerial Personnel, nor Directors nor any other employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of our Company.

OUR SUBSIDIARIES

As on the date of this Draft Red Herring Prospectus, our Company has following (a) two direct Indian Subsidiaries: (1) Gennova Biopharmaceuticals Limited and (2) Zuventus Healthcare Limited; (b) 12 direct foreign Subsidiaries: (1) Emcure Nigeria Limited (2) Emcure Pharmaceuticals Mena FZ-LLC (3) Emcure Pharmaceuticals South Africa (Pty) Limited (4) Emcure Brasil Farmaceutica Ltda (5) Emcure Pharma UK Ltd (6) Emcure Pharma Peru S.A.C (7) Emcure Pharma Mexico S.A. DE C.V. (8) Marcan Pharmaceuticals Inc. (9) Emcure Pharmaceuticals Pty Ltd. (10) Emcure Pharma Chile SpA (11) Lazor Pharmaceuticals Limited and (12) Emcure Pharma Philippines Inc.; and (c) seven indirect foreign Subsidiaries: (1) Tillomed Pharma GmbH (2) Tillomed Laboratories Ltd (3) Emcure NZ Limited (4) Laboratorios Tillomed Spain SLU (5) Tillomed Italia SRL (6) Tillomed France SAS (7) Tillomed Laboratories B.V.

DIRECT SUBSIDIARIES (INDIAN)

1. Gennova Biopharmaceuticals Limited (GBL)

GBL was incorporated on June 19, 2001 as a public limited company as Emcure Dragon Biotech Limited in Pune. The name Emcure Dragon Biotech Limited was subsequently changed to Emcure Biotech Limited on October 23, 2001. On February 15, 2006, the name Emcure Biotech Limited was changed to its present name. Its corporate identification number is U24231PN2001PLC016253. Its registered office is situated at Emcure House, T-184, MIDC Bhosari, Pune – 411026, Maharashtra, India.

GBL is involved in the business of research and development, manufacturing and marketing in India and abroad of biotechnology based products, particularly required for human, veterinary and agricultural use and all other forms of genetic engineering.

Capital structure

The authorized share capital of GBL is ₹ 650,000,000 divided into 10,000,000 equity shares of ₹ 10 each and 55,000,000 preference shares of ₹ 10 each and its issued, subscribed and paid up equity share capital is ₹ 55,113,650 divided into 5,511,365 equity shares of ₹ 10 each.

Shareholding Pattern

Sr. No.	Name of the shareholders	No. of equity shares of ₹10 each	Percentage of Equity shareholding (%)
1	Sanjay Singh	661,365	12.00
2	Satish Mehta	660	0.01
3	Sunil Mehta	690	0.01
4	Sanjay Mehta	690	0.01
5	Samit Mehta	230	Negligible
6	Bhavana Mehta	230	Negligible
7	Emcure Pharmaceuticals Limited	4,847,500	87.95
	Total	5,511,365	100.00

2. Zuventus Healthcare Limited (ZHL)

ZHL was incorporated on May 27, 2002 as a private limited company under the Companies Act, 1956 as Zuventus Healthcare Private Limited in Mumbai. Zuventus Healthcare Private Limited was converted into a public limited company and consequently the name of Zuventus Healthcare Private Limited was changed to its present name and a fresh certificate of incorporation consequent to the change of name was issued on July 26, 2002. Its corporate identification number is U85320PN2002PLC018324. Its registered office is situated at T-184, MIDC, Bhosari, Pune - 411 026, Maharashtra, India.

ZHL is involved in the business of dealing in all types, descriptions, specifications, strengths and the application of pharmaceuticals medicaments in healthcare.

Capital structure

The authorized share capital of ZHL is ₹ 250,000,000 divided into 25,000,000 shares of ₹ 10 each and its issued,

subscribed and paid up equity share capital is ₹ 200,551,800 divided into 20,055,180 shares of ₹ 10 each.

Shareholding Pattern

Sr. No.	Name of the shareholders	No. of equity shares of ₹10 each	Percentage of shareholding (%)
1.	Emcure Pharmaceuticals Limited	15,960,000	79.58
2.	Kamal Kapoor	300,000	1.50
3.	Michael Mascarenhas	300,000	1.50
4.	Prakash Kumar Guha	2,511,000	12.52
5.	Roony Jena	300,000	1.50
6.	Sanjay Mehta	10,560	0.05
7.	Satish Mehta	63,060	0.31
8.	Chandrakant Shetty	300,000	1.50
9.	Shriram Balasubramanian	300,000	1.50
10.	Sunil Mehta	10,560	0.05
	Total	20,055,180	100.00

DIRECT SUBSIDIARIES (FOREIGN)

1. Emcure Nigeria Limited (ENL)

ENL was incorporated on July 2, 2007 as a company limited by shares under the Companies and Allied Matters Act, 1990. Its RC number is 697140. Its registered office is situated at Plot Number 2 – 4, Block C, Amuwo Odofin Industrial Scheme, Apapa Oshodi Expressway, C F A 0 Compound, Lagos, Nigeria.

ENL is engaged in the business as manufacturers, suppliers, importers, exporters, distributors etc. of medicines, drugs and pharmaceutical products and as chemists and to establish, manage and run pharmaceutical industries, pharmacies, chemist shops, drug stores, dispensaries and like enterprises anywhere in Nigeria and abroad.

Capital Structure

The authorized share capital of ENL is Naira 7,000,000 divided into 7,000,000 ordinary shares of Naira 1 each and its issued and fully paid up share capital is Naira 5,836,841 divided into 5,836,841 ordinary shares of Naira 1 each.

Shareholding Pattern

Sr. No.	Name of the shareholders	No of ordinary shares of Naira 1 each	Percentage of shareholding (%)
1.	Emcure Pharmaceuticals Limited	5,836,840	99.99
2.	Utharadhi Devbalaji	1	0.01
	Total	5,836,841	100.00

2. Emcure Pharmaceuticals Mena FZ-LLC (EPM)

EPM was incorporated on June 16, 2010 as a free zone company with limited liability under the provisions of Dubai Healthcare City Company Regulation No. 8 of 2008. Its corporate identification number is 00405. Its registered office is situated at Al-Baker Building 26, Floor 6, Office 608 & 609, Dubai Health Care City, Dubai, UAE.

EPM is engaged in the business of marketing and distribution of pharmaceutical products.

Capital Structure

The authorized share capital of EPM is AED 16,100,000 divided into 16,100 shares of AED 1,000 each and its issued share capital is AED 16,100,000 divided into 16,100 shares of AED 1,000 each.

Shareholding

Sr. No.	Name of the shareholder	No of shares of AED 1,000 each	Percentage of shareholding (%)
1.	Emcure Pharmaceuticals Limited	16,100	100.00

3. Emcure Pharmaceuticals South Africa (Pty) Limited (EPSA)

EPSA was incorporated on July 19, 2010 as a company having share capital under the Companies Act 1973 (Act 61 of 1973). Its enterprise number is M2010015167. Its registered office is situated at Arizona House First Floor South Win, 1 Madison Avenue, Aspen Lakes EXT 13, Gauteng, 2190.

EPSA is engaged in the business of pharmaceuticals and related services.

Capital Structure

The authorized share capital of EPSA is Rand 36,100,100 divided into 36,100,100 shares of Rand 1 each and its issued and paid up share capital is Rand 36,100,100 divided into 36,100,100 shares of Rand 1 each.

Shareholding

Sr. No.	Name of the shareholder	No. of shares of Rand 1 each	Percentage of shareholding (%)
1.	Emcure Pharmaceuticals Limited	36,100,100	100.00

4. Emcure Brasil Farmaceutica Ltda (EBFL)

EBFL was incorporated on January 21, 2011 as a limited society. Its CADASTRO NACIONAL DA PESSOA JURÍDICA (CNPJ) is 13.177.269/0001-90. Its registered office is situated at Avenida das Nacoes Unidas, 12495, Andar 15 Conj 1536, Brooklin Paulista, Sao Paulo – SP, 04578-000.

EBFL is involved in the business of the marketing support services as primary activity and the commercial agency and commercialization of pharmaceutical products as secondary activity.

Capital Structure

The authorized share capital of EBFL is BRL 20,000,000 divided into 20,000,000 quotas of BRL 1 each and its issued and paid up share capital is BRL 4,642,500 divided into 4,642,500 quotas of BRL 1 each.

Shareholding Pattern

Sr. No.	Name of the shareholders	No of quotas of BRL 1 each	Percentage of shareholding (%)
1.	Emcure Pharmaceuticals Limited	4,642,499	99.99
2.	Gennova Biopharmaceuticals Limited	1	0.01
	Total	**4,642,500**	**100.00**

5. Emcure Pharma UK Ltd (EPUL)

EPUL was incorporated on November 6, 2012 as a private company limited by shares under the provisions of Companies Act, 2006. Its company number is 08283131. Its registered office is situated at 220 Butterfield, Great Marlings, Luton, England, LU2 8DL.

EPUL is an intermediate holding company and has no significant trading activities.

Capital Structure

The issued and paid up share capital of EPUL is GBP 32,765,000 divided into 32,765,000 ordinary shares of GBP 1 each.

Shareholding Pattern

Sr. No.	Name of the shareholder	No. of ordinary shares of GBP 1 each	Percentage of shareholding (%)
1.	Emcure Pharmaceuticals Limited	32,765,000	100.00

6. Emcure Pharma Peru S.A.C(EPP S.A.C)

EPP S.A.C was incorporated as closed limited company on May 14, 2014. Its FILE RUC number is 20557777301. Its registered office is situated at Javier Prado Este Avenue Number 488 Int. 2224 (22nd Floor), district of San Isidro, Lima Province.

EPP S.A.C is engaged in the business of purchase, sale, manufacture, storage, marketing, distribution, export and import of all kinds of medicine, health, pharmaceuticals, chemicals and general care of human health products, including any complementary activity, subsidiary, derivative or conducive to the realization of these activities.

Capital Structure

The issued and paid up share capital of EPP S.A.C is SOL 1,974,727 divided into 1,974,727 ordinary shares of SOL 1 each.

Shareholding Pattern

Sr. No.	Name of the shareholders	No. of ordinary shares of SOL 1 each	Percentage of shareholding (%)
1.	Emcure Pharmaceuticals Limited	1,974,717	99.99
2.	Emcure Pharmaceuticals Mena FZ LLC	10	0.01
	Total	1,974,727	100.00

7. Emcure Pharma Mexico S.A. DE C.V. (EPMS)

EPMS was incorporated on September 23, 2014 as a company with variable capital. Its FILE RFC number is EPM140923E49. Its registered office is situated at Av. Paseo de las Palmas #920, Oficina 13, Col. Lomas de Chapultepec, CP 11000, Mexico DF, Mexico.

EPMS is engaged in the wholesale trade of pharmaceutical products.
Capital Structure

The subscribed and paid up share capital of EPMS is MXN 50,000 divided into 50,000 class A shares with no par value.

Shareholding Pattern

Sr. No.	Name of the shareholders	No. of Class A shares with no par value	Percentage of shareholding (%)
1.	Emcure Pharmaceuticals Limited	49,999	99.99
2.	Emcure Pharma UK Limited	1	0.01
	Total	50,000	100.00

8. Marcan Pharmaceuticals Inc. (MPI)

MPI was formed after amalgamation of Emcure Pharmaceuticals Canada Limited, IPG (2015) Inc. and International Pharmaceutical Generics Limited on November 9, 2015 under the Business Corporation Act. Emcure Canada Inc., Arsh Holdings Inc, and RS313 Holdings Ltd. were amalgamated in MPI pursuant to articles of amalgamation and amalgamation agreement dated August 13, 2021. Its Ontario Corporation Number is 5053372. Its registered office is situated at Gurdwara Road, Suite 112 Ottawa Ontario K2E1A2, Canada.

MPI is engaged in the business of marketing and distribution of pharmaceuticals products.

Capital Structure

MPI is authorized to issue an unlimited number of common shares and issued common share capital is CAD 24,480,001.

Shareholding Pattern

Sr. No.	Name of the shareholders	No. of common shares of CAD 1 each	Percentage of common shareholding (%)
1.	Emcure Pharmaceuticals Limited	24,480,001	100.00

9. Emcure Pharmaceuticals Pty Ltd. (EPPLA)

EPPLA was incorporated as proprietary company limited by shares on June 17, 2015 under the Corporations Act 2001. Its ACN is 606 490 797. Its registered office is situated at Fiducian Accountants, 'Fiducian Accountants' Level 14, 1 York Street, Sydney NSW 2000.

EPPLA is engaged in the business of marketing and distribution of pharmaceuticals products.

Capital Structure

The issued and paid up share capital of EPPLA is AU$ 1,000,000 divided into 700,000 Class A shares of AU$ 1 each, 200,000 class B shares of AU$ 1 each and 100,000 ordinary shares of AU$ 1 each.

Shareholding pattern

Sr. No.	Name of the shareholder	No of Class B shares of AU$ 1 each	No of Class A shares of AU$ 1 each	No of ordinary shares of AU$ 1 each	Percentage of shareholding (%)
1.	Emcure Pharmaceuticals Limited	200,000	700,000	100,000	100.00

10. Emcure Pharma Chile SpA (EPC)

EPC was incorporated on October 2, 2020 as a company limited by shares under provision of Article 424 et seq of the Commercial Code. Its Chile Tax ID number is 77.240.238-4. Its registered office is situated at Avenida Las Condes No. 7700, Apt 907-A, District: Las Condes, Santiago.

EPC is engaged in the business of commercialisation, distribution and promotion of pharmaceuticals products, chemicals, medicines, drugs, antibiotics, potions, herbs, bacteriological and biological products, instruments and machinery with medical applications, diagnostic and testing equipment, cosmetics food supplements and in general all kinds of related products and services.

Capital Structure

The authorized share capital of EPC is Pesos 155,000,000 divided into 155,000,000 shares with no par value and its issued, subscribed and paid up share capital is Pesos 36,694,650 divided into 36,694,650 common stock with no par value.

Shareholding Pattern

Sr. No.	Name of the shareholder	No. of common stock with no par value	Percentage of shareholding (%)
1.	Emcure Pharmaceuticals Limited	36,694,650	100.00

11. Lazor Pharmaceuticals Limited (LPLK)

LPLK was incorporated on February 4, 2021 as a private limited company under the Companies Act 2015. Its

company number is PVT-GYUQQ35G. Its registered office is situated at Eldama Ravines Close, Building: Plot Number Twenty Five, P.O BOX 39831, Parklands, Westlands, Westlands District, Nairobi.

LPLK is engaged in the business of distribution and marketing of pharmaceutical products.

Capital Structure

The authorized share capital of LPLK is KES 100,000 divided into 100 ordinary shares of KES 1,000 each and its issued, subscribed and paid up share capital is KES 100,000 divided into 100 ordinary shares of KES 1,000 each.

Shareholding Pattern

Sr. No.	Name of the shareholder	No. of ordinary shares of KES 1,000 each	Percentage of shareholding (%)
1.	Emcure Pharmaceuticals Limited	100	100.00

12. Emcure Pharma Philippines Inc, Philippines (EPPI)

EPPI was incorporated on May 7, 2021 under Revised Corporation Code of Philippines (Republic Act No. 11232). Its company registration number is 2021050013272-03. Its registered office is situated at Filipino Building 135, Dela Rosa St. corner Legaspi St San Lorenzo, City of Makati, Fourth District, NCR, Philippines 1229.

EPPI is engaged in the business of buying selling, importing, exporting, marketing, trading, distributing products with respect to pharmaceuticals, drugs, chemicals and medicines, antibiotics, and all other similar products and services on wholesale basis.

Capital Structure

The authorized share capital of EPPI is Pesos 9,678,000 divided into 96,780 common voting shares of Pesos 100 each and its issued, subscribed and paid up share capital is Pesos 9,678,000 divided into 96,780 ordinary shares of Pesos 100 each.

Shareholding Pattern

Sr. No.	Name of the shareholders	No. of common voting shares of Pesos 100 each	Percentage of shareholding (%)
1.	Emcure Pharmaceuticals Limited	96,775	99.99
2.	Mary Rochelle Torres Camacho	1	Negligible
3.	Leroy Lee Abano Enriquez	1	Negligible
4.	Arene Abano Enriquez	1	Negligible
5.	Rohit Prakash Chandra Pant	1	Negligible
6.	Abhijeet Ajit Shah	1	Negligible
	Total	96,780	100.00

Indirect Subsidiaries

1. **Tillomed Pharma GmbH (TPG)**

TPG was incorporated on April 1, 2011 as Bhardwaj Pharma GmbH (BPG). BPG was acquired by Emcure Pharma UK Ltd, a subsidiary, on January 12, 2016 and the name of BPG was changed to its present name on September 5, 2016. Its company registration number is HRB 13365 HL. Its registered office is situated at Mittelstrasse 5, 12529, Schoenefeld, Germany.

TPG is engaged in the trading of pharmaceuticals products and drugs of all types, and activities ancillary thereto.

Capital Structure

The share capital of TPG is Euro 800,000 divided into 800,000 equity shares of Euro 1 each.

Shareholding Pattern

Sr. No.	Name of the shareholders	No. of equity shares of Euro 1 each	Percentage of shareholding (%)
1.	Emcure Pharma UK Ltd	800,000	100.00

2. Tillomed Laboratories Limited (TLL)

TLL was initially incorporated as Schemehour Limited on September 28, 1990 as a private limited company under the Companies Act 1985. Thereafter, on February 20, 1991 the name was changed to Tillomed Laboratories Limited. On April 16, 2014, Emcure Pharma UK Ltd, a subsidiary of the Company, acquired entire shareholding of Tillomed Holdings Limited together with TLL. Its company number is 02544103. Its registered office is situated at 220 Butterfield, Great Marlings, Luton, England, LU2 8DL.

TLL is engaged in the business of wholesale trading of pharmaceuticals goods.

Capital Structure

The issued and paid up share capital of TLL is GBP 20,801,000 divided into 20,800,740 ordinary class A shares of GBP 1 each and GBP 260 divided in 260 ordinary class B shares of GBP 1 each.

Shareholding Pattern

Sr. No.	Name of the shareholders	No. of ordinary class A shares of £ 1 each	Percentage of shareholding (%)	No. of ordinary class B shares of £ 1 each	Percentage of shareholding (%)
1.	Emcure Pharma UK Ltd	20,800,740	100.00	260	100.00

3. **Emcure NZ Limited (ENZL)**

Emcure NZ Limited was initially incorporated as Ginai Pharmaceuticals Limited (GPL) on June 21, 2013 under the Companies Act 1993. On June 1, 2017, a share purchase agreement was executed pursuant to which GPL was acquired by Emcure Pharmaceuticals Pty Ltd, Australia, a subsidiary of the Company on June 19, 2017, and thereafter the name was changed to Emcure NZ Limited on June 21, 2017. Its company number is 4484878. Its registered office is situated at 7a Whitford Wharf Road, Rd 1, Whitford, 2571, New Zealand.

ENL is engaged in the business of distributing and marketing of pharmaceutical products.

Capital Structure

The issued and paid up share capital of ENL is NZD 126,796 divided into 126,796 ordinary shares with no par value.

Shareholding Pattern

Sr. No.	Name of the shareholders	No. of ordinary shares with no par value	Percentage of shareholding (%)
1.	Emcure Pharmaceuticals Pty Ltd.	126,796	100.00

4. **Laboratorios Tillomed Spain SLU (LTS)**

Soroa Directorship S.L.U. (SDS) was incorporated on April 18, 2016 under Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital. On September 29, 2016, Emcure Pharma UK Limited acquired SDS and its name was changed to Laboratorios Tillomed Spain SLU. Its

registered office is situated at Calle Faraday 7, 28049, Madrid, Spain.

LTS is engaged in the business of producing, purchasing, selling and distribution of chemicals, pharmaceutical and veterinary products.

Capital Structure

The issued and paid up share capital of LTS is Euro 3,000 divided into 3,000 shares of Euro 1 each.

Shareholding pattern

Sr. No.	Name of the shareholders	No. of equity shares of Euro 1 each	Percentage of shareholding (%)
1.	Emcure Pharma UK Ltd.	3,000	100.00

5. **Tillomed Italia SRL** (**TISRL**)

Tillomed Italia SRL (TISRL) was incorporated on January 11, 2017 under Italian Civil Code as limited Liability Corporation. Its fiscal and registration number is 09750710965. Its registered office is situated at Viale Giulio Richard, 1 – Torre A, 20143 Milan (Italy).

TISRL is engaged in the business of trading of pharmaceuticals products and drugs of all types and all activities ancillary thereto.

Capital Structure

The authorized share capital of TISRL is Euro 30,000 quotas divided into 30,000 quotas with no nominal value and its subscribed and paid up share capital is Euro 30,000 quotas divided into 30,000 quotas with no nominal value.

Shareholding pattern

Sr. No.	Name of the shareholders	No. of quotas with no nominal value	Percentage of shareholding (%)
1.	Emcure Pharma UK Ltd	30,000	100.00

6. **Tillomed France SAS (TFS)**

TFS was incorporated as joint stock company on May 30, 2018. Its corporate identification number is 839 689 643 R.C.S. Versailles. Its registered office is situated at 34 Rue Jean Mermoz 78600 Maisons-Laffitte, France.

TFS is engaged in the business of trading of pharmaceuticals products and drugs of all types and activities ancillary thereto.

Capital Structure

The authorized share capital of TFS is Euro 237,000 divided into 23,700 ordinary shares with a nominal value of Euros 10 each and its subscribed and paid up share capital is Euro 237,000 divided into 23,700 ordinary shares with a nominal value of Euros 10 each.

Shareholding pattern

Sr. No.	Name of the shareholder	No. of ordinary shares of Euro 10 each	Percentage of shareholding (%)
1.	Emcure Pharma UK Limited	23,700	100.00

7. **Tillomed Laboratories B.V. (TLB)**

TLB was incorporated on April 24, 2019 as a private limited company under the Dutch Civil Code. Its BTW

number is 859980145. Its registered office is situated at 220 Butterfield, Great Marlings, Luton, LU2 8DL, UK.

TLB is engaged in the business of trading of pharmaceutical, nutraceutical and biotech products and drugs of all types and activities ancillary thereto.

Capital Structure

The issued share capital of TLB is EUR 30,000 divided into 30,000 ordinary shares of EUR 1 each.

Shareholding pattern

Sr. No.	Name of the shareholder	No. of ordinary shares of € 1 each	Percentage of shareholding (%)
1.	Emcure Pharma UK Ltd	30,000 (nil paid)*	-

***As on the date of this Draft Red Herring Prospectus shares have not been issued to Emcure Pharma UK Ltd.*

Amount of accumulated profits or losses

There are no accumulated profits or losses of our Subsidiaries, which are not accounted for by our Company.

Common Pursuits

Gennova Biopharmaceuticals Limited, Zuventus Healthcare Limited and Our Company are in the similar line of business and sell formulations in the domestic market and compete with each other.

There are no common pursuits amongst our Subsidiaries and our Company. Our Company and our Subsidiaries will adopt the necessary procedures and practices as permitted by law to address any conflict situation as and when they arise.

For details of related business transactions between our Company and our Subsidiaries, see "*Related Party Transactions*" on page 348.

Business interest between our Company and our Subsidiaries

Except as stated in "*Our Business*" and "*Related Party Transactions*" on pages 177 and 348, respectively, none of our Subsidiaries have any business interest in our Company.

Other Confirmations

None of our Subsidiaries are listed on any stock exchange in India or abroad. Further, neither have any of our Subsidiaries been refused listing in the last ten years by any stock exchange in India or abroad, nor have any of our Subsidiaries failed to meet the listing requirements of any stock exchange in India or abroad.

OUR MANAGEMENT

In terms of the Companies Act and our Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises of 12 Directors, including four Executive Directors (including one women director), six Independent Directors (including one women director) and two Non-Executive Directors.

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

Sr. No.	Name, designation, address, occupation, date of birth, nationality, period and term and DIN	Age (years)	Directorships in other companies
1.	**Berjis Desai** Designation: Chairman and Independent Director Address: Flat No. 801, 9A Residences, 12th floor, Bomanji Petit Road, Cumballa Hill, Mumbai – 400026 Occupation: Advocate Date of birth: August 2, 1956 Nationality: Indian Period of Directorship and Term: For a period of three years with effect from July 28, 2019 DIN: 00153675	65	Indian Companies • Jubilant FoodWorks Limited; • Praj Industries Limited; • The Great Eastern Shipping Company Limited; • Edelweiss Financial Services Limited; • Deepak Fertilisers and Petrochemicals Corporation Limited; • Man Infraconstruction Limited; • Nuvoco Vistas Corporation Limited; • Inventurus Knowledge Solutions Private Limited; • Vista Intelligence Private Limited; • NU Vista Limited; and • Star Health and Allied Insurance Company Limited Foreign Companies Nil
2.	**Satish Mehta** Designation: Managing Director and Chief Executive Officer Address: Road no. 4 Prasanna, Mumbai Pune Road, Opp Khadki Police Station, Khadki, Pune, Maharashtra- 411003. Occupation: Business Date of birth: January 13, 1951 Nationality: Indian Period of Directorship and Term: For a period of five years with effect from April 1, 2017 DIN: 00118691	70	Indian Companies • Gennova Biopharmaceuticals Limited; and • Zuventus Healthcare Limited Foreign Companies Nil
3.	**Sunil Mehta** Designation: Whole-time Director	58	Indian Companies

Sr. No.	Name, designation, address, occupation, date of birth, nationality, period and term and DIN	Age (years)	Directorships in other companies
	Address: Bangla No.4 Mumbai Pune Road, Opposite Khadki Police Station Khadki, Pune Maharashtra 411003 Occupation: Business Date of birth: March 23, 1963 Nationality: Indian Period of Directorship and Term: For a period of five years with effect from June 5, 2018 DIN: 00118469		• Gennova Biopharmaceuticals Limited Foreign Companies Nil
4.	**Namita Thapar** Designation: Whole-time Director Address: C-6 S. No. 86 to 90 Castel Royal Towers near Joshi Gate Pune University, Pune-411005 Occupation: Service Date of birth: March 21, 1977 Nationality: Indian Period of Directorship and Term: For a period of five years with effect from July 28, 2019. DIN: 05318899	44	Indian Companies • Zuventus Healthcare Limited; • Thapar Ventures Private Limited; • Incredible Ideas Private Limited; and • Incredible Ventures Private Limited. Foreign Companies Nil
5.	**Mukund Gurjar** Designation: Whole-time Director Address: C/8 Priyadarshini Co-op Housing Society, Spring Flowers, Off Pashan Road, Near N.C.L Panchawati, Pune City, Pune, Maharashtra 411008 Occupation: Company Executive Date of birth: August 28, 1952 Nationality: Indian Period of Directorship and Term: For a period of five years with effect from August 28, 2017. DIN: 00026843	68	Indian Companies Nil Foreign Companies Nil
6.	**Shreekant Bapat** Designation: Independent Director Address: Plot No 56, United Western Hsg Society, Near Talhawade Udyan, Karvenagar, Navsahyadri, Pune City, Pune Maharashtra 411052 Occupation: Professional Date of birth: October 6, 1937	83	Indian Companies • Zuventus Healthcare Limited; • Gennova Biopharmaceuticals Limited; and • Avet Lifesciences Limited Foreign Companies Nil

Sr. No.	Name, designation, address, occupation, date of birth, nationality, period and term and DIN	Age (years)	Directorships in other companies
	Nationality: Indian Period of Directorship and Term: For a term of three consecutive years commencing with effect from July 28, 2019. DIN: 00621568		
7.	**Palamadai Jayakumar** Designation: Independent Director Address: Flat No. B-803, 8th Floor, B wing, Vivarea, Near Jacob Circle, Sane Guruji Marg, Mahalaxmi, Mumbai- 400011 Maharashtra. Occupation: Entrepreneur and Consultant Date of birth: April 8, 1962 Nationality: Indian Period of Directorship and Term: For a term of three consecutive years commencing with effect from July 22, 2020. DIN: 01173236	59	Indian Companies • Tata Motors Finance Limited; • TMF Holdings Limited; • Tata Motors Finance Solutions Limited; • Adani Ports and Special Economic Zone Limited; • JM Financial Limited; • CG Power and Industrial Solutions Limited; • VBHC Value Homes Private Limited; • TVS Industrial and Logistics Parks Private Limited; • LICHFL Asset Management Company Limited; • Northern ARC Capital Limited; and Foreign Companies Nil
8.	**Samonnoi Banerjee** Designation: Non-Executive Director (Nominee) Address: B-303, Kaveri Apartments, 5th Road, Chembur, Mumbai- 400071 Maharashtra Occupation: Service Date of birth: October 17, 1975 Period of Directorship and Term: Appointed with effect from August 28, 2018. DIN: 06874206	45	Indian Companies Nil Foreign Companies • Brillio Holdings, Inc.

Sr. No.	Name, designation, address, occupation, date of birth, nationality, period and term and DIN	Age (years)	Directorships in other companies
9.	**Shailesh Ayyangar** Designation: Non-Executive Director Address: V09, Adarsh Palm Retreat, Phase 1 and 2, Devara Beesana Halli, Bengaluru, Karnataka 560103 Occupation: Consultant Date of birth: October 15, 1954 Period of Directorship and Term: Liable to retire by rotation DIN: 00268076	66	Indian Companies • Shaily Engineering Plastics Limited; • Noveltech Feeds Private Limited; • Zuventus Healthcare Limited; and • Gennova Biopharmacueticals Limited Foreign Companies Nil
10.	**Vijay Gokhale** Designation: Independent Director Address: 7th Floor, F/701A, Wing-G, Waterfront Condominiums, S. No. 212/1, Kalyaninagar, Pune, Maharashtra 411006 Occupation: Retired Government servant Date of birth: January 24, 1959 Period of Directorship and Term: For a term of five years commencing from April 16, 2021. DIN: 09134089	62	Indian Companies Nil Foreign Companies Nil
11.	**Vidya Yeravdekar** Designation: Independent Director Address: Rajlakshmi Apartments, 39 Laxmi Park Colony, Navi Peth, Pune, Maharashtra 411030 Occupation: Educationist Date of birth: June 28, 1964 Period of Directorship and Term: For a term of five years commencing from April 16, 2021. DIN: 02183179	57	Indian Companies • Apical Hospitality Services Private Limited; • Mahratta Chamber of Commerce Industries and Agriculture; • Apical Academic Infrastructure and Communication Private Limited; and • Symbiosis Centre for Entrepreneurship and Innovation. Foreign Companies Nil
12.	**Hitesh Jain** Designation: Independent Director Address: Flat no. 13, Alka Building, 'B' Road, Marine Drive, Mumbai-400020 Occupation: Professional Date of birth: October 20, 1973 Nationality: Indian Period of Directorship and Term: For a term of five years commencing from July 27, 2021	47	Indian Companies • Gennova Biopharmaceuticals Limited; • Zuventus Healthcare Limited; • IREP Credit Capital Private Limited; and • Bluekraft Digital Foundation; Foreign Companies • Marcan Pharmaceuticals Inc. • Emcure Pharma UK Limited

Sr. No.	Name, designation, address, occupation, date of birth, nationality, period and term and DIN	Age (years)	Directorships in other companies
	DIN: 00130023		

Arrangement or understanding with major shareholders, customers, suppliers or others

Other than Samonnoi Banerjee, who has been nominated to our Board as an investor nominee director of BC Investments IV Limited pursuant to the SHA, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors has been appointed on the Board. For further details in relation to the SHA, "*History and Certain Corporate Matters - Details of shareholders" agreements and other agreements*"on page 216.

Relationship between our Directors and Key Managerial Personnel

Other than Namita Thapar, who is the daughter of Satish Mehta, none of our Directors are related to each other. Except Vikas Thapar, Samit Mehta, and Sanjay Mehta, none of the Key Management Personnel employed with our Company are related to each other. Vikas Thapar is husband of Namita Thapar. Samit Mehta is the brother of Namita Thapar and son of Satish Mehta. Sanjay Mehta is the brother of Sunil Mehta.

Brief Biographies of Directors

Berjis Desai is the Chairman and Independent Director of our Company. He has been on the Board of our Company since April, 1997. He holds a bachelor's degree in law from the University of Bombay and a master's degree in law from the University of Cambridge. He has experience in private client practice, business laws, transactional and dispute resolution. He was previously associated as a managing partner with J. Sagar Associates, Advocates & Solicitors.

Satish Mehta is the Managing Director and Chief Executive Officer of our Company. He has been associated with our Company since incorporation as one of the first directors of our Company. He holds a master's degree in Science (Chemistry) from the University of Pune. He has also obtained a post graduate diploma in business administration from the Indian Institute of Management, Ahmedabad. He has significant experience in the pharmaceutical industry.

Sunil Mehta is a Whole-time Director of our Company. He has been associated with our Company since July 1985 in various capacities. He holds a bachelor's degree in commerce from the University of Pune and holds a master's diploma in business administration from the Institute of Management Development and Research, Pune.

Namita Thapar is a Whole-time Director of our Company. She has been associated with our Company since April 2006 in various capacities. She holds a bachelor's degree in commerce from the University of Pune. She is a qualified chartered accountant from the Institute of Chartered Accountants of India. She holds a master's degree in business administration from the Duke University, USA.

Mukund Gurjar is a Whole-time Director of our Company. He has been associated with our Company since July 2001 as a Director of our Company. He holds a bachelor's degree in science, a master's degree in science and qualified as a doctor of philosophy in the faculty of Science from the Nagpur University. He also holds a degree of doctor of philosophy from the University of London. Prior to joining our Company, he was working with the National Chemical Laboratory, Pune for 24 years. He has received a certificate of appreciation in recognition of 17 years of his valued services as an editorial advisory board member for Organic Process Research & Development, American Chemical Society. For his contributions to synthetic organic chemistry involving both basic and applied research, he has been felicitated with various awards.

Shreekant Bapat is an Independent Director of our Company. He holds a bachelor's degree in commerce from the University of Pune. He is an erstwhile officer of the Indian Police Service having held senior positions with the Government of India and the Government of Maharashtra such as Additional Director General of Police. He is a recipient of the Police medal for meritorious service from the President of India. He was also a President of the Hinduja Foundation from September 1999 until April 2006.

Palamadai Jayakumar is an Independent Director of our Company. He holds a master's degree in commerce from the University of Chennai. He is a qualified Chartered Accountant from the Institute of Chartered

Accountants of India. He holds a post graduate diploma in business management from Xavier Labour Related Institute, Jamshedpur. He has previously worked with Citibank N.A and was also the managing director and chief executive officer of VBHC Value Homes Private Limited. Further, he was the managing director and chief executive officer of Bank of Baroda for a period of three years until October 2018 which was further extended for a period of one year till October 2019.

Samonnoi Banerjee is a Non-Executive Director (Nominee) of our Company. He holds a bachelor's degree in engineering and a master's degree in science from the Birla Institute of Technology and Science, Pilani. He holds a master's degree in business administration from the Wharton School of the University of Pennsylvania. Prior to joining our Company, he has worked with McKinsey & Company, Inc. as engagement manager (management consultant) and Accenture India Private Limited as a consultant.

Shailesh Ayyangar is a Non-Executive Non-Independent Director of our Company. He holds a bachelor's degree of veterinary science and animal husbandry from the Gujarat Agricultural University and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. Prior to joining our Company, he was associated with Sanofi India Limited as the managing director and later as a non-executive director and with Sanofi Synthelabo (India) Private Limited as a managing director and head of strategic projects.

Vijay Gokhale is an Independent Director of our Company. He is a graduate from the University of Delhi. He joined the Indian foreign services in 1981 and retired as foreign secretary in 2020. He has been in the past appointed as a High Commissioner of India to Malaysia, Ambassador of India to the Federal Republic of Germany and the People's Republic of China.

Vidya Yeravdekar is an Independent Director of our Company. She holds a degree in doctor of medicine and bachelor's degree in law from the University of Pune. She also holds a degree in doctor of philosophy from Symbiosis International University. She is a principal director of Symbiosis Society, and the pro Chancellor of Symbiosis International University.

Hitesh Jain is an Independent Director of our Company. He is a founding and a manging partner of Parinam Law Associates. He was enrolled with Bar Council of Maharashtra and Goa on June 22, 1995 and since then is primarily practising as a litigation lawyer across all branches of litigation, namely civil, criminal, commercial and constitutional. He has represented clients in the Supreme Court of India, various High Courts in India and in arbitration proceedings.

Details regarding directorships of our Directors in listed companies

None of our Directors is or was, during the last five years preceding the date of this Draft Red Herring Prospectus, a director of any listed company whose shares has been or were suspended from being traded on the stock exchanges during their tenure as a director 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 their tenure as a director in such company.

Confirmations

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

Terms of appointment of Directors

1. **Remuneration to Managing Director and Whole-time Directors**:

   Satish Mehta

   Satish Mehta was paid ₹201.80 million (excluding retirement benefits) by our Company in Financial Year 2021. The terms and conditions of appointment of Mr. Satish Mehta were approved by the shareholders at their meeting held on August 8, 2017. The particulars of remuneration were approved pursuant to a Board resolution dated May 28, 2021, are as follows:

Basic Salary	₹ 76.08 million per annum with effect from April 1, 2021
Perquisites	House Rent Allowance: ₹ 76.08 million per annum with effect from April 1, 2021 Bonus/Ex-gratia: ₹0.1 million per annum with effect from April 1, 2021 Leave travel allowance: ₹0.4 million per annum with effect from April 1, 2021 Provident fund: ₹ 9.13 million as contribution to provident fund as per the rules of our Company.
Commission	Satish Mehta is also entitled to receive, on an annual basis, commission not exceeding 1% of the profit before tax of our Company.

Sunil Mehta

Sunil Mehta was paid ₹21.68 million (excluding retirement benefits) by our Company in Financial Year 2021. The terms of appointment of Sunil Mehta were approved by the shareholders of our Company on August 28, 2018. The particulars of remuneration were approved pursuant to a Board resolution dated May 28, 2021, are as follows:

Basic Salary	₹ 12.09 million per annum with effect from April 1, 2021.
Perquisites	House Rent Allowance: ₹ 7.25 million per annum with effect from April 1, 2021. Education Allowance: ₹ 4.83 million per annum with effect from April 1, 2021. Bonus/Ex-gratia: ₹0.025 million per annum with effect from April 1, 2021 Leave Travel Allowance: ₹0.1 million per annum with effect from April 1, 2021. Provident Fund: ₹1.45 million per annum with effect from April 1, 2021. Performance Bonus: ₹2.24 million per annum with effect from April 1, 2021.

Namita Thapar

Namita Thapar was paid ₹33.56 million (excluding retirement benefits) by our Company in Financial Year 2021. The terms of appointment of Namita Thapar were approved by the shareholders of our Company on August 19, 2019. The particulars of remuneration were approved pursuant to a Board resolution dated May 28, 2021, are as follows:

Basic Salary	₹15.34 million per annum with effect from April 1, 2021.
Perquisites	House Rent Allowance: ₹9.20 million per annum with effect from April 1, 2021. Education Allowance: ₹6.13 million per annum with effect from April 1, 2021. Bonus/Ex-gratia: ₹0.025 million per annum with effect from April 1, 2021 Leave Travel Allowance: ₹0.1 million per annum with effect from April 1, 2021. Provident Fund: ₹ 1.84 million per annum with effect from April 1, 2021 Gratuity: ₹ 0.73 million per annum with effect from April 1, 2021. Performance Bonus: ₹ 2.90 million per annum with effect from April 1, 2021.

Mukund Gurjar

Mukund Gurjar was paid ₹41.07 million (excluding retirement benefits) by our Company in Financial Year 2021. The terms of appointment of Mukund Gurjar were approved by the shareholders of our Company on August 8, 2017. The particulars of remuneration were approved pursuant to a Board resolution dated May 28, 2021, are as follows:

Basic Salary	₹17.75 million per annum with effect from April 1, 2021.
Perquisites	House Rent Allowance: ₹10.65 million per annum with effect from April 1, 2021.

	Education Allowance: ₹7.10 million per annum with effect from April 1, 2021. Bonus/Ex-gratia: ₹0.025 million per annum with effect from April 1, 2021 Leave Travel Allowance: ₹0.1 million per annum with effect from April 1, 2021. Provident Fund: ₹2.13 million per annum with effect from April 1, 2021. Performance Bonus: ₹9.44 million per annum with effect from April 1, 2021.

2. Sitting Fees to Non – Executive Directors and Independent Directors:

Pursuant to the Board resolution dated July 27, 2021, each Non-Executive Director, is entitled to receive sitting fees of ₹ 40,000 per meeting for attending meetings of the Board and committees. Details of the remuneration paid to the Non-Executive Directors and Independent Directors of our Company in the Financial Year 2021 as per Restated Consolidated Financial Statements are set forth below.

S. No.	Name of Non-Executive Directors and Independent Directors	Sitting Fees (in ₹ million)	Commission (in ₹ million)
1.	Berjis Desai	0.28	3.50
2.	Palamadai Jayakumar	0.10	2.40
3.	Shreekant Bapat	0.34	2.50
4.	Samonnoi Banerjee	0.16	Nil

Remuneration paid or payable to our Directors by our Subsidiaries

Except as disclosed below, none of the Directors of our Company has been paid any remuneration by our Subsidiaries and our erstwhile subsidiaries, Avet Life, HPHI, HPL, HPI and AvetAPI *(erstwhile Hacco Pharma Inc.)*, including any contingent or deferred compensation accrued for Financial Year 2021.

Sr. No	Director	Name of the Subsidiary	Total compensation *(in ₹ million)*
1.	Satish Mehta	Heritage Pharmaceuticals Inc.	3.71
2.	Shreekant Bapat	Gennova Biopharmaceuticals Limited	1.13
3.	Shreekant Bapat	Zuventus Healthcare Limited	3.21
4.	Hitesh Jain	Gennova Biopharmaceuticals Limited	0.40
5.	Hitesh Jain	Zuventus Healthcare Limited	1.37

Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold any qualification shares. Except as disclosed below, none of our Directors hold any Equity Shares in our Company:

Shareholding in our Company

Sr. No.	Name of the Director	No. of Equity Shares of face value ₹10 each	Percentage of the pre-Offer Equity Share capital (%)
1.	Satish Mehta	75,816,748	41.92
2.	Sunil Mehta*	11,085,012	6.13
3.	Berjis Desai	192,856	0.11
4.	Mukund Gurjar	295,716	0.16
5.	Namita Thapar	6,339,800	3.51
6.	Shreekant Bapat[#]	175,084	0.1

**Includes joint holding of Sunil Mehta with Kamini Mehta, Sunil Mehta being the first holder.*
[#] Entire 175,084 Equity Shares jointly held by Shreekant Bapat with Alaka Bapat, Shreekant Bapat being the first holder.

Interest of Directors

All our Non – Executive Directors and Independent Directors may be deemed to be interested to the extent of sitting fees and commission payable, if any, to them for attending meetings of our Board and committees thereof, and reimbursement of expenses available to them. Our Executive Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them.

Except Satish Mehta and Sunil Mehta, none of our Directors have any interest in the promotion or formation of our Company.

The Directors may also be regarded as interested in the Equity Shares held by them or by their relatives, if any, or that may be subscribed by or allotted to them or the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Offer. Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares, if any, held by them.

None of our Directors may be deemed to be interested in the contracts, transactions, agreements or arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective capacity.

None of our Directors have any interest in any property acquired or proposed to be acquired by our Company or transaction for acquisition of land, construction of building and supply of machinery, *etc.*

No loans have been availed by our Directors from our Company or the Subsidiaries.

None of our Directors are party to any bonus or profit sharing plan of our Company.

Changes in the Board in the last three years

Name	Date of Change	Reason
Samonnoi Banerjee	August 28, 2018	Appointed as a Non-Executive Director (Nominee)
Girish Telang	September 12, 2018	Resigned as a Director
Namita Thapar	July 28, 2019	Re-appointed as Whole-time Director
Shreekant Bapat	July 28, 2019	Re-appointed as Independent Director
Berjis Desai	July 28, 2019	Re-appointed as Independent Director
Humayun Dhanrajgir	July 28, 2019	Re-appointed as Independent Director
Palamadai Jayakumar	July 22, 2020	Appointed as an Independent Director
Humayun Dhanrajgir	April 16, 2021	Resigned as a Director
Shailesh Ayyangar	April 16, 2021	Appointed as a Non-Executive Director
Vijay Gokhale	April 16, 2021	Appointed as an Independent Director
Vidya Yeravdekar	April 16, 2021	Appointed as an Independent Director
Hitesh Jain	July 27, 2021	Appointed as an Independent Director

Borrowing Powers of Board

Pursuant to our Shareholders' resolution dated March 17, 2021, and in accordance with Section 180(1)(a), Section 180(1)(c) and all other applicable sections of the Companies Act, 2013, read with such rules as may be applicable and the Memorandum and Articles our Company, the Board is authorized to borrow money from time to time and, if they fit for creation of such mortgage, charge and/or hypothecation as may be necessary, on such manner as the Board may direct in favour of financial institutions, investment institutions and their subsidiaries, banks, mutual funds, trusts, other bodies corporates, (hereinafter referred to as the "Lending Agencies") and trustees for the holders of debentures, bonds and/or other instruments, even though the money to be borrowed together with the money already borrowed by our Company may exceed at any time, the aggregate of the paid up share capital of our Company and its free reserves of an outstanding aggregate value not exceeding ₹15,000 million (apart from temporary loans obtained from Company's bankers in the ordinary course of business) together with interest thereon at the agreed rates, further interest, liquidated damages, premium on prepayment or on redemption, costs, charges, expenses and all other money payable by our Company to the trustees under any trust deed and to the Lending Agencies under their respective

agreements/loan agreements/debenture trust deeds entered/to be entered into by our Company in respect of the said borrowings.

Corporate Governance

The corporate governance provisions of the Listing Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of our Board and committees thereof and formulation and adoption of policies, as applicable. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees, as required under law.

Committees of the Board

In addition to the committees of our Board detailed below, our Board may, from time to time, constitute committees for various functions.

Audit Committee

The members of the Audit Committee are:

1. Shreekant Bapat (Chairman)
2. Berjis Desai (Member)
3. Namita Thapar (Member)
4. Palamadai Jayakumar (Member)

The Audit Committee was constituted by a resolution of our Board at their meeting held on January 3, 2002 and was last re-constituted by our Board at their meeting held on July 27, 2021. The terms of reference of the Audit Committee are as follows:

1. Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors and the fixation of audit fee;
3. Approval of payments to statutory auditors for any other services rendered by the statutory auditors of the Company;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act;
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 judgment by the management of the Company;
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; and
g) Qualifications /modified opinion(s) in the draft audit report.

5. Reviewing, with the management,

a) the quarterly financial statements before submission to the board for approval;
b) the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the issue 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;
c) performance of statutory and internal auditors, adequacy of the internal control systems;

6. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
7. approval or any subsequent modification of transactions with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
8. Formulating a policy on related party transactions, which shall include materiality of related party transactions;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Discussion with internal auditors of any significant findings and follow up there on;
13. 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;
14. Looking 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;
15. Approval of the appointment of the Chief Financial Officer of the Company ("CFO") (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;
16. Overseeing a vigil mechanism established for directors and employees to report their genuine concerns or grievances;
17. Review of:

(a) Management discussion and analysis of financial condition and results of operations;
(b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;
(c) Management letters/letters of internal control weaknesses issued by the statutory auditors of the Company;
(d) Internal audit reports relating to internal control weaknesses;
(e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
(f) Statement of deviations:

i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
ii. annual statement of funds utilised for purposes other than those stated in the issue document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations;

(g) at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
(h) 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;
(i) 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;
(j) the functioning of the whistle blower mechanism
(k) 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;

18. Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Audit Committee.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Shreekant Bapat (Chairman)
2. Berjis Desai (Member)
3. Samonnoi Banerjee (Member)
4. Palamadai Jayakumar (Member)

5. Shailesh Ayyangar (Member)

The remuneration committee was constituted by a resolution of our Board at their meeting held on May 7, 2004, which later renamed as 'Nomination and Remuneration Committee' by a resolution of our Board at their meeting held on November 26, 2013 and was last re-constituted by our Board at their meeting held on July 27, 2021. The terms of reference of the Nomination and Remuneration Committee are as follows:

(a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
(b) 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 our Company successfully;
(ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
(iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
(c) Formulation of criteria for evaluation of performance of independent directors and the Board;
(d) Devising a policy on Board diversity;
(e) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
(f) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
(g) Recommending the remuneration, in whatever form, payable to the senior management personnel;
(h) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
(i) Construing and interpreting the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("ESOP Scheme") and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;
(j) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Shreekant Bapat (Chairman)
2. Berjis Desai (Member)
3. Satish Mehta (Member)

The investor grievance and share transfer committee was constituted by a resolution of our Board at their meeting held on May 7, 2011 which was renamed as 'Stakeholders' Relationship Committee' by our Board at their meeting held on July 27, 2021. The terms of reference of the Stakeholders' Relationship Committee are as follows:

(1) Resolving the grievances of the security holders of the company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
(2) Review of measures taken, if any for effective exercise of voting rights by shareholders.
(3) Review of adherence to the service standards adopted by the company in respect of various services being rendered by the Registrar & Share Transfer Agent.
(4) Review of the various measures and initiatives taken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
(5) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Stakeholders' Relationship Committee.

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

1. Shreekant Bapat (Chairman)
2. Sunil Mehta (Member)
3. Namita Thapar (Member)

The Corporate Social Responsibility was constituted by a resolution of our Board at their meeting held on November 26, 2013. The terms of reference of the Corporate Social Responsibility are as follows:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activity or activities to be undertaken by the Company;
2. To recommend the amount of expenditure to be incurred on tile activities related to CSR;
3. To monitor the Corporate Social Responsibility Policy of the Company from time to time.

Risk Management Committee

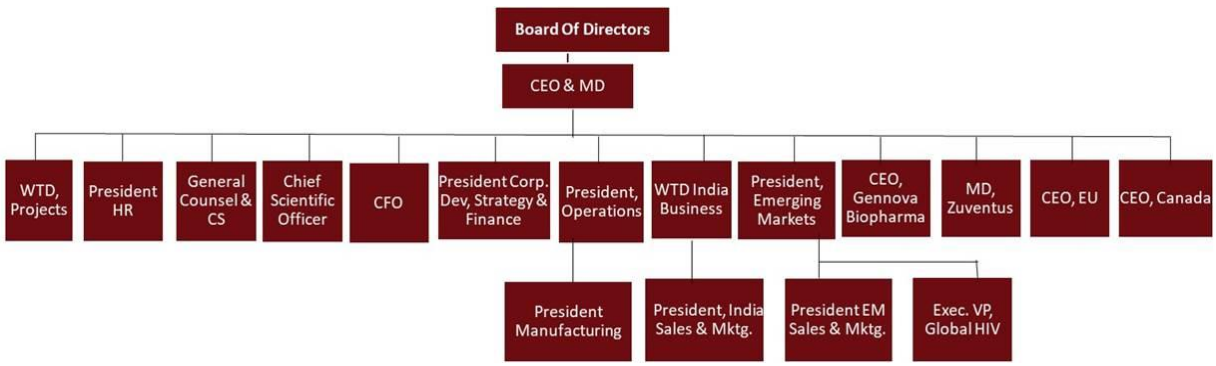
The members of the Risk Management Committee are:

1. Shreekant Bapat (Chairman)
2. Berjis Desai (Member)
3. Palamadai Jayakumar (Member)
4. Shailesh Ayyangar (Member)

The Risk Management Committee was constituted by a resolution of our Board at their meeting held on January 29, 2016 and was last re-constituted by our Board at their meeting held on July 27, 2021. The terms of reference of the Risk Management Committee are as follows:

(1) To formulate a detailed risk management policy which shall include:
(a) A framework for identification of internal and external risks, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
(b) Measures for risk mitigation including systems and processes for internal control of identified risks.
(c) Business continuity plan.
(2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
(3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
(4) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Risk Management Committee.

Management Organisation Chart



Key Managerial Personnel

The details of our Key Managerial Personnel of are as follows:

Satish Mehta is the Managing Director and Chief Executive Officer of our Company. For further details see "– *Brief Biographies of Directors*" and "-*Remuneration to Executive Directors*" on pages 231 and 232, respectively.

Sunil Mehta is a Whole-time Director of our Company. For further details see "– *Brief Biographies of Directors*" and "-*Remuneration to Executive Directors*" on pages 231 and 232, respectively.

Namita Thapar is a Whole-time Director of our Company. For further details see "– *Brief Biographies of Directors*" and "-*Remuneration to Executive Directors*" on pages 231 and 232, respectively.

Mukund Gurjar is a Whole-time Director and Chief Scientific Officer of our Company. For further details see "– *Brief Biographies of Directors*" and "-*Remuneration to Executive Director*" on pages 231 and 232, respectively.

Tajuddin Shaikh is the Chief Financial Officer of our Company. He has been associated with our Company since October 2003. He is a qualified Chartered Accountant from the Institute of Chartered Accountants of India and Cost Accountant from the Institute of Cost Accountants of India. He has further completed senior management programme course from the Indian Institute of Management, Ahmedabad. Prior to joining our Company, he has worked with S.R. Batliboi & Associates. In Fiscal 2021, he received an aggregate compensation of ₹ 6.98 million (excluding retirement benefits). During the Financial Year 2021, he was paid a total compensation of ₹2.39 million by Gennova. The compensation paid by our Company and Gennova is on an individual basis for services rendered in all capacities.

B. Renganathan is the General Counsel and Company Secretary and Compliance Officer of our Company. He has been associated with our company since April 2021. He is a fellow member of Institute of Company Secretaries of India, Institute of Cost Accountants of India and holds a bachelor's degree in law from the University of Mumbai. He is a member of the Secretarial Standards Board of Institute of Company Secretaries of India. He was a member of the Company Law Review Committee constituted by Ministry of Corporate Affairs to review the Companies Act, 2013. Prior to joining our Company, he has worked with Edelweiss Financial Services Limited and with the TATA Group. Since he was appointed in April 2021, no remuneration was paid to him during the Financial Year 2021.

Prakash Kumar Guha is the managing director of our subsidiary, Zuventus Healthcare Limited ("**Zuventus**"). He has been associated with Zuventus since July 2002. He is a graduate in science from the Utkal University. Prior to joining Zuventus, he has worked with Wander Limited and Alkem Laboratories Limited. During the Financial Year 2021, he was paid a gross remuneration of ₹ 46.20 million (excluding retirement benefits) from Zuventus.

Sanjay Singh is the whole-time director and chief executive officer of our subsidiary, Gennova Biopharmaceuticals Limited ("**Gennova**"). He has been associated with Gennova since October 2006. He is a graduate in Science and post graduate in Science (Biochemistry) from the University of Lucknow and holds a degree of Doctor of Philosophy in the faculty of science from the University of Lucknow. Prior to joining Gennova, he has worked with National Institute of Health, USA. During the Financial Year 2021, he was paid a gross remuneration of ₹ 58.13 million (excluding retirement benefits) from Gennova.

Samit Mehta is the President - Operations of our Company. He has been associated with our Company since April 2003. He is a holds a bachelor's degree in commerce from the University of Pune. He also holds a degree in master of business administration from the Wharton School, University of Pennsylvania. During the Financial Year 2021, he was paid a gross remuneration of ₹ 27.56 million (excluding retirement benefits) from our Company and ₹ 0.40 million from Gennova.

Sanjay Mehta is the President - Emerging Markets of our Company. He has been associated with our Company since 1989, in various capacities. He holds a bachelor's degree in commerce from the University of Pune. During the Financial Year 2021, he was paid a gross remuneration of ₹ 27.20 million (excluding retirement benefits).

Vikas Thapar is the President - Corporate Development, Strategy and Finance of our Company. He has been

associated with our company since August 2006. He holds a degree in management science from the University of California, San Diego and a degree in master of business administration from the University of Southern California. Prior to joining our Company, he has worked with Agilent Technologies and ebay, USA. During the Financial Year 2021, he was paid a gross remuneration of ₹ 28.85 million (excluding retirement benefits).

Deepak Gondaliya is the President - Manufacturing at our Company. He has been associated with our Company since July 2013. He holds a degree of doctor of philosophy in Pharmacy from Hemchandra North Gujarat University, Patan. Prior to joining our Company, he has worked with Sun Pharmaceutical Industries Limited as a Deputy General Manager – R&D (Formulation Development), Torrent Pharmaceuticals Limited as a Scientist – II in Formulation Development, Welable Pharmaceuticals as Consultant and Zydus Cadila Healthcare Limited as Executive (F&D). During the Financial Year 2021, he was paid a gross remuneration of ₹ 21.42 million (excluding retirement benefits).

Arrangements and understanding with major Shareholders, customers, suppliers or others

None of our Key Managerial Personnel have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or any other person.

Status of Key Managerial Personnel

Except for Sanjay Singh who is the whole-time director and chief executive officer of our subsidiary, Gennova Biopharmaceuticals Limited and Prakash Kumar Guha who is the Managing Director of our subsidiary, Zuventus Healthcare Limited, all the Key Management Personnel are permanent employees of our Company. Our Company does not have a high attrition rate of Key Managerial Personnel as compared to the industry.

Relationship between our Key Managerial Personnel

Except as disclosed in "*-Relationship between our Directors and Key Managerial Personnel*" on page 231, none of our Key Managerial Personnel are related to each other.

Shareholding of Key Managerial Personnel

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, the Key Managerial Personnel do not hold any Equity Shares in our Company:

Sr. No	Name of Key Managerial Personnel	No. of Equity Shares held	Shareholding %
1.	Satish Mehta	75,816,748	41.92
2.	Sanjay Mehta**	15,764,028	8.72
3.	Samit Mehta	13,547,632	7.49
4.	Sunil Mehta*	11,085,012	6.13
5.	Namita Thapar	6,339,800	3.51
6.	Vikas Thapar	375,000	0.21
7.	Mukund Gurjar	295,716	0.16
8.	Prakash Kumar Guha	192,856	0.11
Total		**123,416,792**	**68.25**

**3,451,764 Equity Shares are jointly held by Sunil Mehta with Kamini Mehta where Sunil Mehta is the first holder.*
***39,40,912 Equity Shares are jointly held by Sanjay Mehta with Sonali Mehta*

Bonus or Profit Sharing Plans of the Key Managerial Personnel

None of our Key Managerial Personnel are party to any bonus or profit sharing plan of our Company.

Interests of Key Managerial Personnel

Except as disclosed in "- *Interest of Directors*" on page 235, our Key Managerial Personnel do not have any interest 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, reimbursement of expenses incurred by them during the ordinary course of business and statutory benefits such as gratuity, provident fund and pension entitled to our Key Managerial Personnel. The Key Managerial Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares, if any, held by them in the Company. To the extent applicable, our Key Managerial Personnel are also interested in any Equity Shares which may be allotted

to them pursuant to exercise of options under the ESOP Scheme and any distributions in relation thereof.

Changes in the Key Managerial Personnel

Except as disclosed below and as disclosed in '– *Changes in the Board in the last three years*' on page 235, there have been no changes in the Key Managerial Personnel in the last three years:

Name	Designation	Date of change	Reason for change
Sanjay Chowdhury	Company secretary	November 2, 2019	Resignation
Jayant Prakash	Company secretary	December 7, 2019	Appointment
Namita Thapar	Chief financial officer	April 16, 2021	Resignation
Tajuddin Shaikh	Chief Financial Officer	April 16, 2021	Appointment
Jayant Prakash	Company secretary	July 7, 2021	Resignation
B. Renganathan	Company Secretary and Compliance Officer	July 27, 2021	Appointment

Service Contracts with Directors and Key Managerial Personnel

No officer of our Company, including our Directors and the Key Managerial Personnel has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment or superannuation, other than statutory benefits.

Contingent and deferred compensation payable to our Director and Key Managerial Personnel

There is no contingent or deferred compensation accrued for Financial Year 2021 and payable to our Directors and Key Managerial Personnel, which does not form a part of their remuneration.

Payment or benefit to Key Managerial Personnel

No non – salary amount or benefit has been paid or given to any officer of our Company within the two preceding years preceding the date of this Draft Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

Employees Stock Options

For details of the ESOP schemes of our Company, see "*Capital Structure*" on page 101.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

Satish Mehta and Sunil Mehta are the Promoters of our Company. As on the date of this Draft Red Herring Prospectus, our Promoters' shareholding in our Company is as follows:

Sr. No.	Name of the Promoter	No. of Equity Shares held	% of pre-Offer issued, subscribed and paid-up Equity Share capital
1.	Satish Mehta	75,816,748	41.92
2.	Sunil Mehta[(1)]	11,085,012	6.13
	Total	86,901,760	48.05

[(1)] *Includes 3,451,764 Equity Shares jointly held by Sunil Mehta with Kamini Mehta, Sunil Mehta being the first holder.*

For details of the build-up of the Promoters' shareholding in our Company, see "*Capital Structure – Details of Shareholding of our Promoters, members of the Promoter Group in our Company*", on pages 109

Details of our Individual Promoters

Satish Mehta

Satish Mehta, aged 70 years, is one of our Promoters and the Managing Director and Chief Executive Officer of our Company. For further details of his educational qualifications, personal address, date of birth, experience in the business, positions and posts held in the past, other directorships, other ventures, business and financial activities and special achievements, see "*Our Management*" on page 227

His driving license number is MH 12 20030341410. His passport number is Z4892301. His PAN is AAVPM4447J and Aadhaar card number is 6669 8196 8671.

Sunil Mehta

Sunil Mehta, aged 58 years, is one of our Promoters and a Whole-time Director of our Company. For further details of his educational qualifications, personal address, date of birth, experience in the business, positions and posts held in the past, other directorships, other ventures, business and financial activities and special achievements, see "*Our Management*" on page 227

His driving license number is MH 12 20030341385.His passport number is S7925922. His PAN is AAUPM2926K and Aadhaar card number is 4774 2022 5468.

Our Company confirms that the permanent account numbers, bank account numbers and the passport numbers of Satish Mehta and Sunil Mehta shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Changes in control of our Company

There has not been any change in control of our Company in the five years immediately preceding the date of this Draft Red Herring Prospectus.

Interest of our Promoters

Our Promoters are interested in our Company to the extent: (1) that they have promoted our Company; (2) of their shareholding and the shareholding of their relatives in our Company and the dividend payable, if any, and other distributions in respect of the Equity Shares held by them or their relatives; and (3) of being Whole-time Directors and Key Management Personnel of our Company and the remuneration payable by our Company to them. For further details, see "*Capital Structure*", "*Our Management*", "*Related Party Transactions*" and "*Financial Statements*" on pages 101, 227, 348 and 250 respectively.

Our Promoters are not interested in the properties acquired or proposed to be acquired by our Company in the three years preceding the date of filing of the Draft Red Herring Prospectus.

Our Promoters are not interested in any transaction in acquisition of land, construction of building or supply of machinery.

Our Promoters are not interested as a member of a firm or a company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person either to induce any of our Promoters to become, or qualify them as a director, or otherwise for services rendered by any of our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Except as stated in "*Related Party Transactions*" on page 348 and disclosed in "*Our Management*" on page 227, there has been no payment of any amount or benefit given to our Promoters or Promoter Group during the two years preceding the date of filing of the Draft Red Herring Prospectus nor is there any intention to pay any amount or give any benefit to our Promoters or Promoter Group as on the date of filing of this Draft Red Herring Prospectus.

Companies or firms with which our Promoters have disassociated in the last three years

Our Promoters have not disassociated themselves from any company or firm during the three years preceding the date of filing of the Draft Red Herring Prospectus.

Confirmations

Our Promoters have not been declared as Wilful Defaulters.

Our Promoters and members of our Promoter Group have not been debarred from accessing the capital market for any reasons by SEBI or any other regulatory or governmental authorities.

Our Promoters are not promoter or director of any other Company which is debarred from accessing capital markets.

No material guarantees have been given to third parties by our Promoters with respect to Equity Shares of our Company.

Our Promoters are not interested in any other entity which holds any intellectual property rights that are used by our Company.

Promoter Group

Persons constituting the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations except the Promoters are set out below:

Natural persons forming part of our Promoter Group (other than our Promoters):

Sr. No.	Name of the individuals	Relationships
Satish Mehta		
1.	Bhavana Mehta	Spouse
2.	Shaila Gujar	Sister
3.	Surekha Shah	Sister
4.	Suhasinee Shah	Sister
5.	Namita Thapar	Daughter
6.	Samit Mehta	Son
7.	Girish Desai	Spouse's brother
8.	Ranjanakumari Desai	Spouse's sister
9.	Shobhna Desai	Spouse's sister
Sunil Mehta		
1.	Kamini Mehta	Spouse
2.	Pushpa Mehta	Mother
3.	Sanjay Mehta	Brother
4.	Smita Paresh Shah	Sister
5.	Swati Shah	Sister
6.	Rutav Mehta	Son
7.	Niraj Mehta	Son
8.	Dr. Jashvantlal Shah	Spouse's father
9.	Pravina J. Shah	Spouse's mother

Sr. No.	Name of the individuals	Relationships
10.	Dr. Jigar J. Shah	Spouse's brother
11.	Dr. Manish J. Shah	Spouse's brother

Entities forming part of our Promoter Group (other than our Promoters):

Sr. No.	Name of the entities
1.	Uth Beverage Factory Private Limited
2.	Thapar Ventures Private Limited
3.	Avet Lifesciences Limited
4.	Incredible Ideas Private Limited
5.	Incredible Ventures Private Limited
6.	Heritage Pharma Holdings Inc.
7.	H. M. Sales Corporation

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term "group companies", includes (i) such companies (other than promoter(s) and subsidiaries) with which the relevant issuer company had related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and (ii) any other companies considered material by the board of directors of the relevant issuer company.

Accordingly, for (i) above, all such companies (other than the Promoters and Subsidiaries) with which there were related party transactions during the periods covered in the Restated Consolidated Financial Statements, as covered under the applicable accounting standards, shall be considered as Group Companies in terms of the SEBI ICDR Regulations.

In addition, pursuant to the Materiality Policy, for the purposes of (ii) above, a company (other than the Promoters, Subsidiaries and companies categorized under (i) above) has been considered "material" and has been disclosed as a 'Group Company' if (a) such company was categorized as a subsidiary in the Restated Consolidated Financial Statements and has ceased to be a subsidiary of our Company after the period for which financial information is disclosed in this Draft Red Herring Prospectus; or (b) such company is a member of the Promoter Group of our Company (other than the Promoters) and with which there were transactions in the last completed full financial year, which, individually or in the aggregate, exceed 10% of the total consolidated revenue of the Company as per the last completed full financial year per the Restated Consolidated Financial Statements.

Accordingly, set forth below are our Group Companies as on the date of the Draft Red Herring Prospectus:

(1) Uth Beverage Factory Private Limited;
(2) Avet Lifesciences Limited;
(3) Heritage Pharma Holdings Inc.;
(4) Heritage Pharma Labs Inc;
(5) Heritage Pharmaceuticals Inc; and
(6) AvetAPI Inc. *(erstwhile Hacco Pharma Inc)*

A. Details of our top five group Companies

1. Uth Beverage Factory Private Limited (UBFPL)

Uth Beverage Factory Private Limited was incorporated as a private limited company on January 10, 2006 under the Companies Act, 1956 with the Registrar of Companies, Maharashtra at Pune. Registered office of UBFPL is situated at Plot No. 3A, Sr. No. 285, Raisoni Industrial Estate, Post - Maan, Mulshi, Pune - 411057. The corporate identification number of UBFPL is U15549PN2006PTC021813. UBFPL is currently engaged in the business of dealing in workout essential nutrition, high protein nutrition and gainers nutrition.

The financial information derived from the audited consolidated financial statements of UBFPL for the financial years ended 2021, 2020 and 2019 are available at https://emcure.com/report-and-filings/

2. Heritage Pharma Holdings Inc. (HPHI)

HPHI was incorporated on August 11, 2008 as a corporation under the laws of the State of Delaware. HPHI began doing business as Avet Pharmaceuticals Holdings Inc. from October 1, 2019. Registered office of HPHI is situated at One Tower Center Boulevard, Suite 1700, East Brunswick, New Jersey 08816. The file number of HPHI is 4586240. HPHI is currently engaged in the business of acquisition, licensing, development, marketing, sales and distribution of generic and legacy branded pharmaceuticals products for the global prescription drug market.

The financial information derived from the audited consolidated financial statements of HPHI for the financial years ended 2021, 2020 and 2019 are available at https://emcure.com/report-and-filings/

3. Heritage Pharma Labs Inc. (HPL)

Emcure Pharmaceuticals USA Inc. was incorporated on November 3, 2004 as a corporation under the provisions of New Jersey Business Corporation Act, New Jersey. Registered office of HPL is situated at 21 Cotters Lane, East Brunswick, New Jersey 08816. The name of the corporation was changed to Heritage

Pharma Labs Inc., on July 29, 2014 and our Company sold its shareholding in HPL to Heritage Pharma Holdings Inc. on September, 1, 2014. HPL started doing business as Avet Pharma Labs Inc on September 12, 2019. The entity ID of HPL is 0100935284. HPL is currently engaged in the acquisition, licensing, development, marketing, sale and distribution of generic and legacy branded pharmaceutical products for the U.S. prescription drug market.

Audited financial statements of HPL are not available for the last three years, as HPL is not required to get its financial statements audited under the laws of the jurisdiction in which it operates.

4. Heritage Pharmaceuticals Inc. (HPI)

Radius Pharmaceuticals Inc. was incorporated on June 17, 2005 as a corporation under the provisions of General Corporation Law of State of Delaware. On June 22, 2006, the name of the corporation was changed to Heritage Pharmaceuticals Inc. Registered office of HPI is situated at One Tower Boulevard, Suite 1700, East Brunswick, New Jersey 08816. Our Company acquired Heritage Pharma Holdings Inc. together with HPI pursuant to plan of merger on February 25, 2011. HPI started doing business as Avet Pharmaceuticals Inc. on September 12, 2019. The file number of HPI is 3987766. HPI is currently engaged in the acquisition, licensing, development, marketing, sale and distribution of generic and legacy branded pharmaceutical products for the U.S. prescription drug market.

Audited financial statements of HPI are not available for the last three years, as HPI is not required to get its financial statements audited under the laws of the jurisdiction in which it operates.

5. AvetAPI Inc. *(erstwhile Hacco Pharma Inc.*) (AI)

AI was incorporated on March 6, 2019 under section 101 of the General Corporation Law of The State of Delaware as Hacco Pharma Inc. Registered office of AI is situated at 16 Elkins Road, East Brunswick, New Jersey 08816. On July 28, 2021, the name of the Company was changed from Hacco Pharma Inc. to its present name. The File number of AI is 7311317. AI is currently engaged in marketing of pharmaceuticals products.

Audited financial statements of AI are not available for the last three years, as AI is not required to get its financial statements audited under the laws of the jurisdiction in which it operates.

B. Details of other Group Companies

Avet Lifesciences Limited (Avet Life)

Avet Lifesciences Limited was incorporated on August 26, 2020 as a public limited company under the Companies Act, 2013. Registered office of the Avet Life is situated at office is situated at T-184, M.I.D.C Bhosari, Pune 411026 Maharashtra. The corporate identification number of Avet Life is U24299PN2020PLC193397. Avet Life is currently engaged in the business of pharmaceuticals, drugs and medicines, antibiotics.

C. Litigation

Other than as disclosed in "*Outstanding Litigation and Material Developments – Litigations involving our Group Companies*" on page 389, our Group Companies are not party to any litigation which may have material impact on our Company.

D. Common pursuits

There are no common pursuits amongst our Group Company and our Company.

E. Related business transactions within our Group Companies and significance on the financial performance of the Company

Other than the transactions disclosed in "*Related Party Transactions*" on page 348, there are no other related business transactions between Group Companies and our Company.

F. Business Interest

Except as disclosed in "*Related Party Transactions*" on page 348, our Group Companies do not have any business interest in our Company.

For further details on risks in relation to transactions being entered into with related parties, see "*Risk Factors - We have in the past entered into related-party transactions and may continue to do so in the future*" on page 70.

G. Nature and extent of interest of our Group Companies

a) In the promotion of our Company

Our Group Companies do not have any interest in the promotion of our Company.

b) In the properties acquired by us in the preceding three years before filing this draft red herring prospectus or proposed to be acquired by our Company

Our Group Companies are not interested in the properties acquired by us in the three years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on the date of this Draft Red Herring Prospectus.

c) In transactions for acquisition of land, construction of building and supply of machinery

Our Group Companies are not interested in any transactions for the acquisition of land, construction of building or supply of machinery.

DIVIDEND POLICY

The Board of Directors at its meeting held on August 12, 2021 have adopted a Dividend Distribution Policy ("the Policy"). The declaration and payment of dividends, if any, will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and other applicable law, including the Companies Act.

The quantum of dividend, if any, and our ability to pay dividends will depend on a number of factors, including, but not limited to, our Company's profits, past dividend trends, capital requirements, financial commitments and financial requirements including business expansion plans, applicable legal restrictions and other factors considered relevant by our Board. Our Company may also, from time to time, pay interim dividends. We may retain all our future earnings, if any, for use in the operations and expansion of our business. In a year where the profits of the Company are inadequate or there is a loss, the Company would like to utilise the reserves judiciously and the Board may not consider payment of dividend as a viable proposition.

The details of dividend on Equity Shares declared and paid by our Company in the last three Financial Years, until the date of this Draft Red Herring Prospectus are given below:

Particulars	**April 1, 2021 till the date of this Draft Red Herring Prospectus**	**Fiscal 2021**	**Fiscal 2020**	**Fiscal 2019**
No. of Equity Shares	180,852,116	180,852,116	180,852,116	180,852,116
Face value per Equity Share (in ₹)	10	10	10	10
Aggregate Dividend (₹ in million)***	-	180.85	452.13	632.98
Dividend per Equity Share (in ₹)	-	1	2.5	3.5
Rate of dividend (%)	-	10	25	35
Dividend Distribution Tax (%)	NA	NA	20.56	20.56
Dividend Distribution Tax (₹ in million)	NA	NA	22.96**	100.59*

** Dividend Distribution Tax (DDT) paid is net of DDT credit of ₹ 29.52 million in Fiscal 2019.*

*** DDT was abolished effective from April 1, 2020. Hence DDT was not applicable on payment of final divided amounting to ₹ 180.85 million for Fiscal 2020. Further DDT paid on interim dividend of Fiscal 2020 is net of DDT credit of ₹ 32.80 million.*

****Aggregate Dividend is total of final dividend and interim Dividend pertaining to the Fiscal year.*

The amounts paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future. 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 72

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

S. No.	Financial Statements
1.	Restated Consolidated Financial Statements
2.	Proforma Condensed Consolidated Financial Information

B S R & Co. LLP
Chartered Accountants

8th floor, Business Plaza,
Westin Hotel Campus,
36/3-8, Koregaon Park Annex,
Mundhwa Road, Ghorpadi,
Pune - 411001, India

Telephone: +91 20 6747 7300
Fax: +91 20 6747 7310

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Emcure Pharmaceuticals Limited
T-184, MIDC Bhosari,
Pune – 411026
Maharashtra, India

Dear Sirs,

1) We have examined, the attached Restated Consolidated Financial Information of Emcure Pharmaceuticals Limited (the "Company" or the "Holding Company" or the "Issuer") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), comprising the Restated Consolidated Balance Sheet as at 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 Statement of Changes in Equity, the Restated Consolidated Statement of Cash Flows for the years ended 31 March 2021, 31 March 2020 and 31 March 2019 and 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 12 August 2021 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed initial public offer comprising of a fresh issue of Equity Shares by the Company and offer for sale of Equity Shares by certain shareholders of the Company ("IPO" / "Proposed Offer") prepared in terms of the requirements of:

   (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");

   (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and

   (c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

2) The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India **("SEBI"),** the stock exchanges where the equity shares of the Company are proposed to be listed **("Stock Exchanges"),** in connection with the Proposed Offer. The Restated Consolidated Financial Information have been prepared by the Management of the Company on the basis of preparation stated in note 1B of Annexure V to the Restated Consolidated Financial Information.

The respective Board of Directors of the companies included in the Group responsibility 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 of the companies are also responsible for identifying and ensuring that the Group complies with the Act, the 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 11 June 2021 in connection with the proposed offer;

(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 of equity shares of the Company.

4) These Restated Consolidated Financial Information have been compiled by the Management from the audited consolidated financial statements of the Group as at and for the years ended 31 March 2021, 31 March 2020 and 31 March 2019 prepared in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards ("Ind AS") specified under the section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, which have been approved by the Board of Directors at their meeting held on 28 May 2021, 27 July 2020 and 18 July 2019 respectively.

5) For the purpose of our examination, we have relied on Auditors' reports issued by us dated 28 May 2021, 27 July 2020 and 18 July 2019 on the consolidated financial statements of the Group as at and for the years ended 31 March 2021, 31 March 2020 and 31 March 2019 as referred in paragraph 4 above.

6) The Auditors' report on the consolidated financial statements as at and for the year ended 31 March 2021 issued by us contained the following Emphasis of Matter paragraph which does not require any corrective adjustment in the Restated Consolidated Financial Information:

We draw attention to Note 43(e)(1) to the financial statements which describes the uncertainty related to the ultimate outcome of the Search and Seizure operation conducted by the Income Tax Department. The Group has not received any demand notices in relation to the Search and Seizure as at this date. Management is confident that no taxes will devolve on the Group and hence no provision has been recognised in these financial statements as at 31 March 2021. Though the Group has not received any demand notice till date, the uncertainty in the matter remains till the proceedings are concluded.

Our opinion is not modified in respect of this matter.

Further, those qualifications in the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, which do not require any corrective adjustments in the Restated Consolidated Financial Information have been disclosed in Annexure VI to the Restated Consolidated Financial Information.

7) As indicated in our audit reports referred in paragraph 5 above:

a. we did not audit the financial statements of fourteen subsidiaries as at 31 March 2021 and twelve subsidiaries as at 31 March 2020 and 31 March 2019, whose financial statements reflect share of total assets, total revenues (including other income), net cash inflows / (outflows) included in the consolidated financial statements, for the relevant years is tabulated below:

(INR in millions)

Particulars	As at and for the year ended		
	31 March 2021	31 March 2020	31 March 2019
Total Assets	41,581.85	36,536.66	13,032.79
Total Revenues	30,983.99	24,350.88	9,948.49
Net cash inflows/ (outflows)	1,638.14	(923.51)	526.44

These financial statements have been audited by other auditors as mentioned in Annexure I whose reports have been furnished to us by the Company's Management and our audit opinions for the relevant years on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these components for the relevant years, are based solely on the reports of the other auditors.

Certain of these subsidiaries (including step down 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. 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 in so far as it relates to the balances and affairs of such subsidiaries located outside India is 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.

Further, the financial information of these subsidiaries included in these Restated Consolidated Financial Information, is based on such financial statements audited by the other auditors and have been restated by the Management of the Issuer to comply with the basis set out in Note 1B to the Restated Consolidated Financial Information. The restatement adjustments made to such financial statements to comply with the basis set out in Note 2 to the Restated Consolidated Financial Information, have been audited by us.

b. We also did not audit the financial statements / financial information of five subsidiaries as at 31 March 2021, 31 March 2019 and four subsidiaries as at 31 March 2020 whose share of total assets, total revenues (including other income), net cash inflows / (outflows) included in the consolidated financial statements, for the relevant years is tabulated below:

(INR in million)

Particulars	As at and for the year ended		
	31 March 2021	31 March 2020	31 March 2019
Total Assets	2,464.28	2,248.06	2,151.68
Total Revenues	2,852.18	2,602.40	2,035.11
Net cash inflows/ (outflows)	36.41	27.07	29.72

The financial statements / financial information of these subsidiaries is unaudited and is included in these Restated Consolidated Financial Information, based on such unaudited financial statements / financial information furnished to us by the Management of the Company. Our opinion on the Consolidated Ind AS Financial Statements and the Restated Consolidated Financial Information, in so far relates as it relates to the amounts and disclosures included in respect of these subsidiaries are based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the Consolidated Ind AS Financial Statements is not modified in respect of this matter.

8) Based on our examination and according to the information and explanations given to us, we report that the Restated Consolidated Financial Information:

i. have been prepared after incorporating adjustments for the changes in accounting policies and regrouping / reclassifications retrospectively in the financial years ended 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 year ended 31 March 2021;

ii. does not contain any qualifications requiring adjustments. However, those qualifications in the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act and item relating to emphasis of matter (refer paragraph 6 above), which do not require any adjustment to the Restated Consolidated Financial Information have been disclosed in Annexure VI to the Restated Consolidated Financial Information; and

iii. have been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note.

9) The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited consolidated financial statements mentioned in paragraph 4 above.

10) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11) We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12) Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with SEBI and the Stock exchanges, in connection with the proposed offer. 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 **B S R& Co. LLP**
Chartered Accountants
ICAI Firm's Registration No: 101248W/W-100022

Abhishek
Partner
Membership No.: 062343
ICAI UDIN: 21062343AAAACV9501

Place: Pune
Date: 12 August 2021

Annexure I

Details of entities for the years not audited by us and name of the other auditor for the respective period / year :

Name of subsidiaries	Nature of relation	Period/ Year Ended	Name of the Auditor
Avet Lifesciences Limited	Subsidiary	31-Mar-21	M.R. Gujar & Co
Marcan Pharmaceuticals Inc.	Subsidiary	31-Mar-21	KPMG LLP
Marcan Pharmaceuticals Inc.		31-Mar-20	
Marcan Pharmaceuticals Inc.		31-Mar-19	
Emcure Pharmaceuticals Pty Ltd	Subsidiary	31-Mar-21	GCC Business & Assurance Pty Ltd
Emcure Pharmaceuticals Pty Ltd		31-Mar-20	
Emcure Pharmaceuticals Pty Ltd		31-Mar-19	
Emcure Brasil Farmaceutica Ltda	Subsidiary	31-Mar-21	M.R. Gujar & Co
Emcure Brasil Farmaceutica Ltda		31-Mar-20	
Emcure Brasil Farmaceutica Ltda		31-Mar-19	
Emcure Pharmaceuticals South Africa (Proprietary) Limited	Subsidiary	31-Mar-21	A.S. Auditors Incorporated
Emcure Pharmaceuticals South Africa (Proprietary) Limited		31-Mar-20	
Emcure Pharmaceuticals South Africa (Proprietary) Limited		31-Mar-19	
Emcure Pharma UK Ltd	Subsidiary	31-Mar-21	MHA Macintyre Hudson
Emcure Pharma UK Ltd		31-Mar-20	
Emcure Pharma UK Ltd		31-Mar-19	KPMG LLP
Tillomed Laboratories Limited	Step Subsidiary	31-Mar-21	MHA Macintyre Hudson
Tillomed Laboratories Limited		31-Mar-20	
Tillomed Laboratories Limited		31-Mar-19	KPMG LLP
Emcure Pharmaceuticals MENA FZ LLC	Subsidiary	31-Mar-21	Rao & Ross Auditing of Accounts
Emcure Pharmaceuticals MENA FZ LLC		31-Mar-20	
Emcure Pharmaceuticals MENA FZ LLC		31-Mar-19	
Emcure Pharma Mexico S.A. DE C.V.	Subsidiary	31-Mar-21	M.R. Gujar & Co
Emcure Pharma Mexico S.A. DE C.V.		31-Mar-20	
		31-Mar-19	

Annexure I

Details of entities for the years not audited by us and name of the other auditor for the respective period / year :

Name of subsidiaries	Nature of relation	Period/ Year Ended	Name of the Auditor
Emcure Pharma Mexico S.A. DE C.V.			
Emcure Nigeria Limited	Subsidiary	31-Mar-21	Segun Thomas & Co
Emcure Nigeria Limited		31-Mar-20	
Emcure Nigeria Limited		31-Mar-19	
Emcure NZ Limited	Step Subsidiary	31-Mar-21	GCC Business & Assurance Pty Ltd
Emcure NZ Limited		31-Mar-20	
Emcure NZ Limited		31-Mar-19	
Emcure Pharma Peru S.A.C.	Subsidiary	31-Mar-21	M.R. Gujar & Co
Emcure Pharma Peru S.A.C.		31-Mar-20	
Emcure Pharma Peru S.A.C.		31-Mar-19	
Heritage Pharma Holdings Inc.	Subsidiary	31-Mar-21	KPMG LLP
Heritage Pharma Holdings Inc.		31-Mar-20	
Tillomed Holdings Limited	Subsidiary	31-Mar-19	KPMG LLP
Emcure Pharma Chile SpA.	Subsidiary	31-Mar-21	M.R. Gujar & Co

EMCURE PHARMACEUTICALS LIMITED
Annexure I - Restated Consolidated Balance Sheet

Rs. in million

Particulars	Note	March 31, 2021	March 31, 2020	March 31, 2019
Assets				
Non-current assets				
Property, plant and equipment	**2A**	14,872.70	14,039.98	13,949.86
Capital work-in-progress	**2B**	2,215.95	3,319.35	4,217.61
Right-of-use assets	**3**	2,242.85	2,381.41	2,598.85
Goodwill	**52**	3,974.77	3,891.90	3,760.41
Other Intangible assets	**4**	3,031.88	3,505.82	3,829.66
Intangible assets under development	**5**	800.31	1,530.31	1,590.94
Financial assets				
i) Investments	**6**	0.03	0.03	0.04
ii) Loans	**7**	289.00	259.05	225.66
iii) Other non-current financial assets	**8**	102.81	152.56	520.83
Deferred tax assets (net)	**38**	1,482.92	2,007.61	2,041.16
Income tax assets (net)	**26**	1,665.62	1,551.60	449.24
Other non-current assets	**9**	220.63	370.12	387.61
Total non- current assets		**30,899.47**	**33,009.74**	**33,571.87**
Current assets				
Inventories	**10**	15,144.35	11,731.55	11,277.51
Financial assets				
i) Trade receivables	**11**	14,753.62	11,452.14	9,720.35
ii) Cash and cash equivalents	**12**	4,687.46	1,287.43	914.47
iii) Bank balances other than (ii) above	**13**	547.91	350.94	128.42
iv) Other current financial assets	**14**	131.11	134.28	260.03
Other current assets	**15**	1,910.06	2,074.47	2,231.74
Total current assets		**37,174.51**	**27,030.81**	**24,532.52**
Total assets		**68,073.98**	**60,040.55**	**58,104.39**
Equity and liabilities				
Equity				
Equity share capital	**16**	1,808.52	1,808.52	1,808.52
Other equity	**17**	20,921.70	17,311.02	16,484.09
Equity attributable to owners of the company		**22,730.22**	**19,119.54**	**18,292.61**
Non-controlling interest	**56**	949.92	724.14	648.46
Total equity		**23,680.14**	**19,843.68**	**18,941.07**
Liabilities				
Non-current liabilities				
Financial liabilities				
i) Borrowings	**18**	7,039.70	5,532.98	6,878.78
ii) Lease Liabilities	**3**	1,168.05	1,273.99	1,494.92
iii) Other non-current financial liabilities	**19**	713.10	3,160.14	3,856.20
Provisions	**20**	659.34	584.98	561.15
Deferred tax liabilities (net)	**38**	398.83	440.03	657.42
Other non-current liabilities	**21**	333.05	6.37	9.00
Total non-current liabilities		**10,312.07**	**10,998.49**	**13,457.47**
Current liabilities				
Financial liabilities				
i) Borrowings	**22**	12,526.74	12,711.74	10,868.40
ii) Lease Liabilities	**3**	324.43	297.23	286.95
iii) Trade payables	**23**			
Total outstanding dues of micro and small enterprises		-	0.62	6.58
Total outstanding dues to others		9,721.94	7,406.01	6,846.43
iv) Other current financial liabilities	**24**	8,377.32	6,404.41	5,929.37
Provisions	**25**	1,497.56	1,389.93	1,124.02
Current tax liabilities (net)	**26**	616.91	543.30	177.68
Other current liabilities	**27**	1,016.87	445.14	466.42
Total current liabilities		**34,081.77**	**29,198.38**	**25,705.85**
Total liabilities		**44,393.84**	**40,196.87**	**39,163.32**
Total equity and liabilities		**68,073.98**	**60,040.55**	**58,104.39**

The above Annexure should be read with the basis of preparation and significant accounting policies and notes to the restated consolidated financial statements appearing in Annexure V and Statement of Adjustments to the Restated Consolidated Financial information appearing in Annexure VI.

The notes referred to above form an integral part of the Restated consolidated financials statements.

As per our report of even date attached.

For **B S R & Co. LLP**
Firm Registration: 101248W/W-100022
Chartered Accountants

Abhishek
Partner
Membership No. 062343

Place: Pune
Date: August 12, 2021

For and on behalf of the Board of Directors
Emcure Pharmaceuticals Limited
CIN -U24231PN1981PLC024251

Shreekant Bapat
Director
DIN -00621568

Satish Mehta
Managing Director
DIN -00118691

B Renganathan
Company Secretary
Membership No. F2922

Tajuddin Shaikh
Chief Financial Officer

Place: Pune
Date: August 12, 2021

EMCURE PHARMACEUTICALS LIMITED

Annexure II-Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income)

Rs. in million

Particulars	Note	Year Ended March 31, 2021	Year Ended March 31, 2020	Year Ended March 31, 2019
Revenue:				
Revenue from operations	**28**	60,564.15	50,485.54	47,171.83
Other income	**29**	353.91	823.06	984.07
Total income		**60,918.06**	**51,308.60**	**48,155.90**
Expenses:				
Cost of materials consumed	**30**	14,366.31	9,002.22	7,812.08
Purchases of stock-in-trade		13,375.88	11,273.59	11,096.54
Changes in inventories of finished goods, work-in-progress and stock-in-trade	**31**	(2,526.26)	19.10	(1,321.78)
Employee benefit expenses	**32**	11,021.25	11,056.20	10,103.30
Depreciation and amortisation expense	**34**	3,233.10	3,208.34	2,997.76
Finance cost	**35**	1,981.32	2,565.97	2,363.55
Other expenses	**33**	12,007.25	12,095.04	11,643.50
Total expenses		**53,458.85**	**49,220.46**	**44,694.95**
Profit before exceptional items and tax		**7,459.21**	**2,088.14**	**3,460.95**
Exceptional items	**36**	885.94	1,034.79	234.58
Profit before tax		**6,573.27**	**1,053.35**	**3,226.37**
Tax expenses				
Current tax	**37**	2,008.92	316.55	2,125.58
Deferred tax	**37**	378.41	(269.30)	(928.89)
Profit for the year		**4,185.94**	**1,006.10**	**2,029.68**
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurement of post-employment benefit obligations	**49**	18.00	(70.37)	(14.01)
Tax on post-employment benefit obligations	**37**	(6.23)	24.28	4.88
Items that will be reclassified subsequently to profit or loss				
Exchange differences in translating financials statement of foreign operations	**17**	(11.93)	384.48	357.44
Income tax relating to these items	**37**	-	-	(10.41)
		(0.16)	**338.39**	**337.90**
Total comprehensive income for the year		**4,185.78**	**1,344.49**	**2,367.58**
Profit attributable to:				
Owners of the company		3,921.47	836.07	1,892.97
Non-controlling interests (refer note under statement of changes in equity)	**56**	264.47	170.03	136.71
Other comprehensive income attributable to:				
Owners of the company		(2.42)	343.32	339.98
Non-controlling interests	**56**	2.26	(4.93)	(2.08)
Total comprehensive income attributable to:				
Owners of the company		3,919.05	1,179.39	2,232.95
Non-controlling interests	**56**	266.73	165.10	134.63
Earnings per share:				
Basic	**46**	21.68	4.62	10.47
Diluted		21.68	4.62	10.47
[Face value per share: Rs.10]				

The above Annexure should be read with the basis of preparation and significant accounting policies and notes to the restated consolidated financial statements appearing in Annexure V and Statement of Adjustments to the Restated Consolidated Financial information appearing in Annexure VI.

The notes referred to above form an integral part of the Restated consolidated financials statements.

As per our report of even date attached.

For **B S R & Co. LLP**
Firm Registration: 101248W/W-100022
Chartered Accountants

Abhishek
Partner
Membership No. 062343

Place: Pune
Date: August 12, 2021

For and on behalf of the Board of Directors
Emcure Pharmaceuticals Limited
CIN -U24231PN1981PLC024251

Shreekant Bapat
Director
DIN -00621568

Satish Mehta
Managing Director
DIN -00118691

B Renganathan
Company Secretary
Membership No. F2922

Tajuddin Shaikh
Chief Financial Officer

Place: Pune
Date: August 12, 2021

EMCURE PHARMACEUTICALS LIMITED
Annexure III - Restated Consolidated Statement of Changes In Equity

Equity share capital	Note	Rs. in million
As at April 1, 2018		**1,808.52**
Changes in equity share capital	16	-
As at March 31, 2019		**1,808.52**
Changes in equity share capital	16	-
As at March 31, 2020		**1,808.52**
Changes in equity share capital	16	-
As at March 31, 2021		**1,808.52**

Rs. in million

Other equity	Note	Reserves and Surplus					Other Comprehensive Income	Total	Non controlling interest	Total
		Capital reserve	Securities premium	Share options outstanding account	General reserve	Retained earning	Foreign currency translation reserve			
As at April 1, 2018		**12.92**	**840.37**	**162.63**	**1,668.19**	**12,477.05**	**40.20**	**15,201.36**	**536.05**	**15,737.41**
Total comprehensive income for the year ended 31 March 2019										
Profit for the year		-	-	-	-	1,892.97	-	1,892.97	136.71	2,029.68
Items of other comprehensive income recognised directly in retained earnings	17	-	-	-	-	(7.05)	-	(7.05)	(2.08)	(9.13)
Exchange differences in translating financials statement of foreign operations	17	-	-	-	-	-	347.03	347.03	-	347.03
		-	-	-	-	1,885.92	347.03	2,232.95	134.63	2,367.58
Transactions with owners, recorded directly in equity										
Interim dividend on equity shares (Rs. 2.50 per share)	17	-	-	-	-	(452.13)	-	(452.13)	-	(452.13)
Dividend distribution tax on above	17	-	-	-	-	(92.94)	-	(92.94)	-	(92.94)
Final dividend on equity shares (Rs. 2.00 per share)	17	-	-	-	-	(361.70)	-	(361.70)	(18.43)	(380.13)
Dividend distribution tax on above	17	-	-	-	-	(74.35)	-	(74.35)	(3.79)	(78.14)
		-	-	-	-	(981.12)	-	(981.12)	(22.22)	(1,003.34)
Others										
Employee share based expense	50	-	-	52.87	-	-	-	52.87	-	52.87
Options forfeited	17	-	-	(62.89)	62.89	-	-	-	-	-
Income tax on above	17	-	-	-	(21.97)	-	-	(21.97)	-	(21.97)
		-	-	(10.02)	40.92	-	-	30.90	-	30.90
As at March 31, 2019		**12.92**	**840.37**	**152.61**	**1,709.11**	**13,381.85**	**387.23**	**16,484.09**	**648.46**	**17,132.55**
Total comprehensive income for the year ended 31 March 2020										
IND AS 116 transition adjustment (refer Annexure VI)		-	-	-	-	57.84	0.39	58.23	4.39	62.62
Profit for the year		-	-	-	-	836.07	-	836.07	170.03	1,006.10
Items of other comprehensive income recognised directly in retained earnings	17	-	-	-	-	(41.16)	-	(41.16)	(4.93)	(46.09)
Exchange differences in translating financials statement of foreign operations	17	-	-	-	-	-	384.48	384.48	-	384.48
		-	-	-	-	852.75	384.87	1,237.62	169.49	1,407.11
Transactions with owners, recorded directly in equity										
Interim dividend on equity shares (Rs. 1.50 per share)	17	-	-	-	-	(271.28)	-	(271.28)	(40.95)	(312.23)
Dividend distribution tax on above	17	-	-	-	-	(55.76)	-	(55.76)	(8.42)	(64.18)
Final dividend on equity shares (Rs. 1.00 per share)	17	-	-	-	-	(180.85)	-	(180.85)	(36.86)	(217.71)
Dividend distribution tax on above	17	-	-	-	-	(37.17)	-	(37.17)	(7.58)	(44.75)
		-	-	-	-	(545.06)	-	(545.06)	(93.81)	(638.87)
Others										
Employee share based expense	50	-	-	144.19	-	-	-	144.19	-	144.19
Options forfeited	17	-	-	(28.10)	28.10	-	-	-	-	-
Income tax on above	17	-	-	-	(9.82)	-	-	(9.82)	-	(9.82)
		-	-	116.09	18.28	-	-	134.37	-	134.37
As at March 31, 2020		**12.92**	**840.37**	**268.70**	**1,727.39**	**13,689.54**	**772.10**	**17,311.02**	**724.14**	**18,035.16**
Total comprehensive income for the year ended 31 March 2021										
Profit for the year		-	-	-	-	3,921.47	-	3,921.47	264.47	4,185.94
Items of other comprehensive income recognised directly in retained earnings	17	-	-	-	-	9.51	-	9.51	2.26	11.77
Exchange differences in translating financials statement of foreign operations	17	-	-	-	-	-	(11.93)	(11.93)	-	(11.93)
		-	-	-	-	3,930.98	(11.93)	3,919.05	266.73	4,185.78
Transactions with owners, recorded directly in equity										
Final dividend on equity Shares (Rs. 1.00 per share)	17	-	-	-	-	(180.85)	-	(180.85)	(40.95)	(221.80)
		-	-	-	-	(180.85)	-	(180.85)	(40.95)	(221.80)
Others										
Employee share based expense	50	-	-	63.48	-	-	-	63.48	-	63.48
Options settled in cash during the year		-	-	(182.12)	-	-	-	(182.12)	-	(182.12)
Options forfeited	17	-	-	(32.84)	32.84	-	-	-	-	-
Income tax on above	17	-	-	-	(8.88)	-	-	(8.88)	-	(8.88)
		-	-	(151.48)	23.96	-	-	(127.52)	-	(127.52)
As at March 31, 2021		**12.92**	**840.37**	**117.22**	**1,751.35**	**17,439.67**	**760.17**	**20,921.70**	**949.92**	**21,871.62**

Note :
1. The above Annexure should be read with the basis of preparation and significant accounting policies and notes to the restated consolidated financial statements appearing in Annexure V and Statement of Adjustments to the Restated Consolidated Financial information appearing in Annexure VI.
2. The notes referred to above form an integral part of the Restated consolidated financials statements.
3. For description of nature and purpose of Reserves refer note 17.

As per our report of even date attached.

For **B S R & Co. LLP**
Firm Registration: 101248W/W-100022
Chartered Accountants

Abhishek
Partner
Membership No. 062343

Place: Pune
Date: August 12, 2021

For and on behalf of the Board of Directors
Emcure Pharmaceuticals Limited
CIN -U24231PN1981PLC024251

Shreekant Bapat
Director
DIN -00621568

Satish Mehta
Managing Director
DIN -00118691

B Renganathan
Company Secretary
Membership No. F2922

Tajuddin Shaikh
Chief Financial Officer

Place: Pune
Date: August 12, 2021

EMCURE PHARMACEUTICALS LIMITED

Annexure IV- Restated Consolidated cash flow statement for the year ended March 31, 2021

Rs. in million

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Cash flows from operating activities:			
Profit before tax	**6,573.27**	**1,053.35**	**3,226.37**
Adjustment for:			
Depreciation and amortisation	3,233.10	3,208.34	2,997.76
Impairment of intangible assets	436.95	-	-
Unrealised exchange loss (net)	190.23	138.21	319.29
Finance costs	1,981.32	2,565.97	2,363.55
Employee share-based payment expense	63.48	144.19	52.87
Interest income from banks and others	(73.53)	(21.86)	(25.22)
Income arising from government grant (EPCG)	(6.37)	(5.26)	(19.23)
(Profit) / Loss on sale of property, plant and equipments	(4.23)	41.57	(24.36)
Impairment of Goodwill	-	39.83	9.30
Stock appreciation rights liability written back	-	-	(1,238.52)
	12,394.22	**7,164.34**	**7,661.81**
Working capital adjustments:			
- Increase in inventories	(3,412.80)	(454.05)	(1,996.48)
- Increase in trade receivables	(3,301.48)	(1,731.79)	(1,018.92)
- (Increase)/decrease in other financial assets	(127.28)	437.65	(94.66)
- Decrease in other assets	164.46	169.90	143.83
- Increase in trade payables	2,315.31	553.62	635.22
- Increase/(decrease) in other financial liabilities	63.84	(392.54)	548.00
- Increase/(decrease) in other liabilities	790.74	(41.97)	(57.74)
- Increase in provisions	161.67	219.37	349.84
	(3,345.54)	**(1,239.81)**	**(1,490.91)**
Cash generated from operating activities	**9,048.68**	**5,924.53**	**6,170.90**
Income tax paid (net of refunds)	(2,004.33)	(921.51)	(1,344.63)
Net cash generated from operating activities (A)	**7,044.35**	**5,003.02**	**4,826.27**
Cash flows from investing activities			
Acquisition of property, plant and equipment, and capital work-in-progress	(1,254.05)	(1,153.03)	(3,268.05)
Acquisition of intangible assets and intangible assets under development	(202.65)	(393.48)	(901.87)
Proceeds from sale of property, plant and equipment	125.14	166.14	114.95
Purchase consideration paid on acquisition of subsidiary, net of cash acquired (refer note 62)	(1,115.51)	-	(40.29)
Interest received from banks and others	75.81	13.22	24.93
Deposits placed (net of amounts matured)	(147.22)	(270.45)	(15.96)
Net cash used in investing activities (B)	**(2,518.48)**	**(1,637.60)**	**(4,086.29)**
Cash flows from financing activities			
Repayment of long-term borrowings (refer note 1 below)	(4,110.75)	(3,651.60)	(7,157.74)
Proceeds from long-term borrowings	5,774.88	1,952.49	4,888.29
Proceeds / (Repayments) of short-term borrowings (net)	(981.67)	1,772.20	(2,083.17)
Interest paid (refer note 2)	(1,844.83)	(2,023.81)	(1,994.84)
Repayment of lease liabilities	(436.80)	(415.54)	(383.89)
Government grant (refer note 61D)	114.05	-	-
Payment on account of settlement of Employee stock options (refer Annexure VI, Note 2)	(182.12)	-	-
Interim dividend paid (and related dividend distribution tax)	-	(327.04)	(545.07)
Final dividend paid (and related dividend distribution tax)	(180.85)	(218.02)	(436.05)
Dividend paid to non controlling interest (and related dividend distribution tax)	(40.95)	(93.80)	(22.22)
Net cash used in financing activities (C)	**(1,889.04)**	**(3,005.12)**	**(7,734.69)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	2,636.83	360.30	(6,994.71)
Cash and cash equivalent as at 1 April (refer below)	(6,091.08)	(6,409.64)	586.49
Effect of exchange rate fluctuations on cash and cash equivalent	(46.17)	(41.74)	(1.42)
Cash and cash equivalent as at March 31	**(3,500.42)**	**(6,091.08)**	**(6,409.64)**
Breakup of cash and cash equivalent as at March 31			
Cash on hand	3.90	3.49	1.15
Balances with bank in current accounts	4,593.78	1,189.30	907.77
Balances with bank in cash credit accounts	83.03	-	-
Demand deposits (with original maturity of less than 3 months)	6.75	94.64	5.55
Bank overdrafts used for cash management purpose	(8,187.88)	(7,378.51)	(7,324.11)
Total cash and cash equivalent*	**(3,500.42)**	**(6,091.08)**	**(6,409.64)**

* Cash and cash equivalent includes bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

EMCURE PHARMACEUTICALS LIMITED

Annexure IV- Restated Consolidated cash flow statement for the year ended March 31, 2021 (continued)

Rs. in million

Changes in liabilities arising from financing activities	March 31, 2021	March 31, 2020	March 31, 2019
Borrowings:			
Opening balance	14,443.02	14,160.00	17,888.06
Amount borrowed during the year	5,774.88	3,724.69	4,888.29
Amount repaid during the year	(5,092.42)	(3,651.60)	(9,240.91)
Others (includes foreign exchange differences on translation of subsidiaries, transaction cost, etc.)	15.33	209.93	624.56
Closing balance (refer note 18)	**15,140.81**	**14,443.02**	**14,160.00**
Interest accrued on borrowings:			
Opening balance	113.37	44.70	59.58
Finance cost incurred during the year	1,981.32	2,565.97	2,363.55
Amount paid during the year	(1,844.83)	(2,023.81)	(1,994.84)
Finance cost on account of unwinding of discount on note payable and preference shares	-	-	(268.39)
Interest accrued on lease liability	(119.27)	(122.12)	(136.99)
Others (includes foreign exchange differences on translation of subsidiaries, transaction cost, etc.)	(25.31)	(351.37)	21.79
Closing balance (refer note 24)	**105.28**	**113.37**	**44.70**

Notes to the cash flow statement:

1. This includes prepayment of term loan & vehicle loan amounting to Rs. 1,711.23 million (March 31, 2020: Rs. 405.95 million, March 31, 2019: Rs. 774.07 million) and swap of loan with other banks amounting to Rs. Nil (March 31, 2020: Rs Nil, March 31, 2019: Rs. 1,754.55 million).

2. Includes interest expense of Rs. 124.91 million (March 31, 2020: Rs. 18.23 million, March 31, 2019: Rs. 25.32 million) which have been capitalised in accordance with Ind AS 23, Borrowing Costs.

The above Annexure should be read with the basis of preparation and significant accounting policies and notes to the restated consolidated financial statements appearing in Annexure V and Statement of Adjustments to the Restated Consolidated Financial information appearing in Annexure VI.

As per our report of even date attached.

For **B S R & Co. LLP**
Firm Registration: 101248W/W-100022
Chartered Accountants

Abhishek
Partner
Membership No. 062343

Place: Pune
Date: August 12, 2021

For and on behalf of the Board of Directors
Emcure Pharmaceuticals Limited
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Managing Director
DIN -00118691

B Renganathan
Company Secretary
Membership No. F2922

Tajuddin Shaikh
Chief Financial Officer

Place: Pune
Date: August 12, 2021

EMCURE PHARMACEUTICALS LIMITED
Annexure V- Notes to the restated consolidated financial statements (continued)

1A. General information:

Emcure Pharmaceuticals Limited, the parent company ("the Holding company") is a public limited company incorporated and domiciled in India. The Holding company has its registered office in Pune and is engaged in developing, manufacturing and marketing a broad range of pharmaceutical products globally. The Holding company's core strength lies in developing and manufacturing differentiated pharmaceutical products in-house, which are commercialised through its marketing infrastructure across geographies and business relationships with multi-national pharmaceutical companies.

The restated consolidated financial statements comprise the restated financial Statements of the Holding Company and the following subsidiaries/ step down subsidiaries (together referred to as "Group").

Name of subsidiaries	Percentage of Holding (%)	Country of incorporation
Direct subsidiaries		
Gennova Biopharmaceuticals Limited	87.95%	India
Zuventus Healthcare Limited	79.58%	India
Emcure Nigeria Limited	100%	Nigeria
Emcure Pharmaceuticals Mena FZ LLC.	100%	UAE
Emcure Pharmaceuticals South Africa (Pty) Limited	100%	South Africa
Emcure Brasil Farmaceutica Ltda	100%	Brazil
Heritage Pharma Holdings Inc. (doing business as Avet Pharmaceuticals Holdings Inc.)	100%	USA
Emcure Pharma UK Ltd	100%	United Kingdom
Emcure Pharma Peru S.A.C.	100%	Peru
Emcure Pharma Mexico S.A. DE C.V.	100%	Mexico
Emcure Pharmaceuticals Pty Ltd	100%	Australia
Marcan Pharmaceuticals Inc.	100%	Canada
Avet Lifesciences Limited *	100%	India
Emcure Pharma Chile SpA **	100%	Chile
Lazor Pharmaceuticals Limited ***	100%	Kenya
Step down subsidiaries ****		
Heritage Pharma Labs Inc.(doing business as Avet Pharmaceuticals Labs Inc)	100%	USA
Heritage Pharmaceuticals Inc.(doing business as Avet Pharmaceuticals Inc.)	100%	USA
Tillomed Laboratories Ltd	100%	United Kingdom
Tillomed Holdings Limited #	100%	United Kingdom
Tillomed Pharma GmbH	100%	Germany
Laboratories Tillomed Spain S.L.U.	100%	Spain
Tillomed Italia S.R.L.	100%	Italy
Emcure NZ Limited	100%	New Zealand
Tillomed France SAS	100%	France
Hacco Pharma Inc.	100%	USA
Tillomed Laboratories BV *****	100%	Netherlands

* Avet Lifesciences Ltd. was incorporated on August 26,2020 .

** Emcure Pharma Chile SpA was incorporated on October 2, 2020.

*** Lazor Pharmaceuticals Limited was incorporated on February 4, 2021.

**** Effective holding % of the Company through its subsidiaries.

***** The Group has invested in Tillomed Laboratories BV ., A direct subsidiary of Emcure UK., on April 24,2019

Tillomed Holdings Ltd UK has been dissolved on April 16, 2019.

1B. Basis of preparation

a) Basis of preparation

i. Statement of compliance

The Restated Consolidated Balance Sheet of the Group as at 31 March 2021, 31 March 2020 and 31 March 2019 and the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Changes in Equity and the Restated Consolidated Statement of Cash flows for the years ended 31 March 2021, 31 March 2020 and 31 March 2019, and Restated Other Consolidated Financial Information (together referred to as 'Restated Consolidated Financial Information') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013. (the 'Act') and other relevant provisions of the Act as amended from time to time.

These Restated Consolidated Financial Information have been prepared for the Group as a going concern on the basis of relevant Ind AS that are effective as at 31 March 2021.

The Group has given adjustments for lease accounting in accordance with Ind AS 116 which came into effect on 1 April 2019 using modified retrospective approach and all the related figures have been reclassified/ regrouped to give effect to the requirements of Ind AS 116, refer Annexure VI - "Statement of Adjustments to the Restated Consolidated Financial Information".

The Restated Consolidated Financial Information has been prepared for inclusion in the Offer Document to be filed by the Company with the Securities and Exchange Board of India ('SEBI') in connection with proposed Initial Public Offering of its equity shares, in accordance with the requirements of:
(i) Section 26 of Chapter III of the Act;
(ii) relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, issued by the Securities and Exchange Board of India ('SEBI') as amended in pursuance of the Securities and Exchange Board of India Act, 1992; and
(iii) Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI").

These Restated Consolidated Financial Information has been extracted by the Management from the Audited Consolidated Financial Statements for respective years and:
(a) there were no changes in accounting policies during the years of these financial statements except for the new and amended Ind AS 116 'Leases' - Refer Annexure VI;
(b) there were no material amounts which have been adjusted for in arriving at profit of the respective years; and
(c) there were no material adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited Financial Statements of the Group as at and for the year ended 31 March 2021 and the requirements of the SEBI Regulations

The Restated Financial Information has been compiled by the Management from the audited financial statements of the Company for the years ended and as at March 31, 2021, March 31, 2020 and March 31, 2019, on which the auditors have expressed unmodified audit opinion vide their reports dated May 28, 2021, July 27, 2020 and July 18, 2019. The preparation of these financial information in conformity with Ind AS 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 area where assumptions and estimates are significant to these financial statements are disclosed in section 1C.

These financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including investments), defined benefit plans, plan assets and share-based payments. 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.

b) Functional and presentation currency

The restated consolidated financial statements are presented in Indian Rupees (Rs.), which is also the Holding company's functional currency. All the amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest million, unless otherwise indicated.

c) Basis of Measurement

The restated consolidated financial statements are prepared under the historical cost convention except for the following items:

Items	Measurement Basis
Liabilities for stock appreciation rights	Fair value
Contingent consideration in business combination	Fair value
Net defined benefit (asset) / liability	Fair value of plan assets less present value of defined benefit obligations

1B. Basis of preparation (continued)

d) Use of estimates and judgements

In preparing these restated consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumptions and estimations uncertainties that have a significant risk resulting in a material adjustment in the year ending 31 March 2021 is included in following notes:

Note 1C. d) Useful lives of property, plant, equipment and intangibles assets;
Note 1C. e) Useful lives of intangible assets;
Note 1C. a) Valuation of assets acquired as a part of business combination and contingent consideration;
Note 25(i) - recognition and measurement of provisions and contingencies : key assumptions about the likelihood and magnitude of an outflow of resources;
Note 52- Impairment assessment for goodwill
Note 10. Valuation of inventories
Note 38 - recognition of deferred tax assets: availability of future taxable profit against which tax credit can be used;
Note 1C (i) - Sales return, rebates and chargebacks;
Note 49 - measurement of defined benefit obligations: key actuarial assumptions.
Note 3 - measurement of discount rate for initial recognition of ROU and Lease Liability as per IND AS 116

e) Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Head of Treasury .

The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 42 – fair value measurement;
- Note 50 – employee stock options plan.

f) Current versus non current classification:

All assets and liabilities have been classified as current or non-current as per the Group’s normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:
- it is expected to be realized in, or is intended for sale or consumption in, the Group's normal operating cycle;
- it is held for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current assets / non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:
- it is expected to be settled in the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be settled within 12 months after the reporting date; or
- the Group does not have any unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include the current portion of non-current liabilities / non-current financial liabilities. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalent. The operating cycle of the Group is less than 12 months.

1C. Significant accounting policies

a) Basis of consolidation

The Group consolidates all entities which it controls. Control is established when the Group has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has ability to affect the entity's returns by using its power over the entity.

Subsidiaries are consolidated from the date control commences and until the date control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. The restated consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

1C. Significant accounting policies (continued)

a) Basis of consolidation (continued)

i) Business combinations

Business Combinations are accounted for using the acquisition method of accounting. Transaction costs incurred in connection with business combination are expensed out in statement of profit and loss. The identifiable assets and liabilities that meet the condition for recognition is recognized at their fair values at the acquisition date.

In case of bargain purchase where the fair value of identifiable assets and liabilities exceed the cost of acquisition, the excess is recognised in other comprehensive income on the acquisition date and accumulate the same in equity as capital reserve after reassessing the fair values of the net assets and contingent liabilities.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition by-acquisition basis.

Business combinations arising from transfers of interests in entities that are under the common control are accounted for using the pooling of interests method. The assets and liabilities of the combining entities are reflected at their carrying amounts and no adjustments are made to reflect their fair values or recognise any new assets or liabilities. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in capital reserve and presented separately from other capital reserves with disclosure of its nature and purpose.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

ii. Goodwill

Goodwill represents the excess of the consideration paid to acquire a business over underlying fair value of the identified assets acquired. Goodwill is carried at cost less accumulated impairment losses, if any. Goodwill is deemed to have an indefinite useful life and is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (CGUs) that is expected to benefit from the synergies of the combination. Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

iii. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the restated consolidated financial statements from the date on which control commences until the date on which control ceases.

iv. Non-controlling interests (NCI)

Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

v. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

vi. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1C. Significant accounting policies (continued)

b) Foreign Currency Transaction, translation and foreign operation

Transaction in foreign currencies are translated into the respective functional currency of the respective components at the exchange rates at the dates of transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into functional currency at exchange rate when the fair value was determined. Exchange difference are recognised in statement of profit and loss, except exchange differences arising from the translation of the following items which are recognised in OCI/property, plant and equipment and intangible assets:

i. Translation of long term foreign currency monetary items pertaining to period prior to transition to Ind AS and are related to purchase of property, plant and equipment and intangible assets (refer note 2).

ii. Foreign operations

Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the balance sheet date. Statement of profit and loss has been translated using average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the other comprehensive income.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant portion of the cumulative amount is re-allocated to NCI. When the Group disposes of only a part of its interest in a joint venture while retaining significant influence or joint control, the relevant proportion of cumulative amount is reclassified to profit or loss.

c) Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (except trade receivables which is measured at transaction price) or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at
- amortised cost; or
- Fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment- by- investment basis.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:
- The stated policy and objectives for the portfolio and the operation of those policies in practice.

These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial asset to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of asset;

- How the performance of portfolio is evaluated and reported to the Group's management;
- The risk that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

1C. Significant accounting policies (continued)
c) Financial instruments (continued)

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment, 'principal' is defines as the fair value of financial asset on initial recognition. 'Interest' is defined as consideration for time value of money and for credit risk associated with the principal amount outstanding during a particular period of time and other basic leading risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:
- contingent events that would change the amount and timing of cash flows;
- term that would adjust the contractual rate, including variable interest rate features;
- prepayment and extension features; and
- term that limits the Group's claim to cash flows for specified assets (e.g. non- recourse features).

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (continued)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amount of principal and interest on principal amount outstanding, which may include reasonable additional compensation for early termination of contract. Additionally, for a financial asset acquired on a significant premium or discount to its contractual par amount, a feature that permits or require prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is significant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

d) Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimate costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separated items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

1C. Significant accounting policies (continued)

d) Property, plant and equipment (continued)

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefit associated with the expenditure will flow to Group.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight line method, and is generally recognised in the statement of profit and loss. Freehold land is not depreciated.

Depreciation is provided on pro-rata basis using the straight-line method over the estimated useful lives of the assets prescribed under Schedule II to the Companies Act 2013 except for vehicles and furnitures and fixtures at leasehold premises. The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful life	Useful life as per schedule II
Leasehold improvements	As per lease term	NA
Building	30 years	30 years
Plant and machinery	15 years	15 years
Electrical installation	10 years	10 years
Air handling equipment	15 years	15 years
Computers	3-6 years	3-6 years
Office equipment	5 years	5 years
Furniture and fixtures	10 years	10 years
Vehicles	5 years	8-10 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives represents the period over which the management expects to use these assets.

Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

e) Intangible assets

- Intangible assets

i. Initial recognition:

Intangible assets acquired separately are measured at cost of acquisition. Intangible assets acquired under business combination are measured at fair value as of the date of business combination. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefit associated with the expenditure will flow to Group.

Intangible assets are amortized over their respective estimated useful life using straight-line method. The estimated useful life of amortizable intangibles is reviewed at the end of each reporting period and change in estimates if any are accounted for on a prospective basis.

The estimated useful lives are as follows:

Intangible Asset	Management estimated useful life
Product Development, Abbreviated New Drug Applications (ANDAs)	5 to 10 years
Customer relationships	5 years
Brands acquired	5 to 10 years
Software, License rights	2 to 10 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

- Intangible Assets under Development

Intangible assets under development are initially recognized at cost. Such intangible assets are subsequently capitalized only if it is probable that the future economic benefit associated with the expenditure will flow to the Group.

The Group irrespective of whether there is any indication of impairment, test an intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. The recoverable amount is the higher of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of the intangible asset not yet available for use exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

f) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on weighted average formula, and includes expenditure incurred in acquiring the inventories, production or conversion cost and other cost incurred in bringing them to their present location and condition. In case of manufactured inventory and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expense.

The net realisable value of work-in- progress is determined with reference to the selling price of related finished products.

Raw materials, components and other supplies held for use in production of finished products are not written down below cost except in cases where material price have declined and it is estimated that the cost of finished products will exceed their net realizable value.

1C. Significant accounting policies (continued)
f) Inventories (continued)

The comparison of cost and net realizable value is made on an item-by-item basis.

The Group considers various factors like shelf life, ageing of inventory, product discontinuation, price changes and any other factor which impact the Group's business in determining the allowance for obsolete, non-saleable and slow moving inventories. The Group considers the above factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

g) Impairment

i. Impairment of financial instruments

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit - impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on estimated future cash flows of financial assets have occurred.

Evidence that a financial asset is credit impaired includes the following observed data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being overdue for a period of more than 12 months from the credit term offered to the customer;
- the restructuring of loan or advance by the Company on the terms that the Company would not consider otherwise;
- it is probable that borrower will enter bankruptcy or the financial reorganization;
- the disappearance of active market for a security because of financial difficulties.

In accordance with Ind-AS 109, the Group applies expected credit loss ("ECL") model for measurement and recognition of impairment loss. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets the Group recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date, the credit risk has not increased significantly since its original recognition. However, if credit risk has increased significantly, lifetime ECL is used.

ECL impairment loss allowance (or reversal) recognized in the statement of profit and loss.

When determining whether the credit risk of financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost of effort. This includes both quantitative and qualitative information and analysis based on Group's historical experience and informed credit assessment and including forward - looking information.

The Group considers financial asset to be in default when:

a. The borrower is unlikely to pay its credit obligation to the Group in full, without recourse by the Group to action such as realising security (if any is held); or
b. The financial asset is 360 days or more past due.

Measurement of expected credit loss

Expected credit loss are probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flow that the Group expects to receive).

Presentation of allowance of expected credit losses in the balance sheet

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write – off

The Gross carrying amount of financial asset is written off (either partially of full) to the extent that there is no realistic prospect of recovery. This is generally the case when Group determines that the debtor does not have asset or source of income that could generate sufficient cash flows to repay the amount subject to write-off. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with Group's procedures for recovery of amounts due.

ii. Impairment of non-financial asset

The Group's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Group's corporate assets (e.g. central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1C. Significant accounting policies (continued)
g) Impairment (continued)
ii. Impairment of non-financial asset (continued)

Goodwill
CGUs to which goodwill has been allocated are tested for impairment annually or more frequently when there is indication for impairment. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Determination of recoverable amount of CGU requires the management to estimate the future cash flows expected to arise and a suitable discount rate in order to calculate the present value. An impairment loss recognised for goodwill is not reversed in subsequent periods.

h) Employee benefits

i. Short term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised 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 amount of obligation can be estimated reliably.

ii. Share-based payment transactions
Share-based payment are provided to employees via the Group's Employees Stock Option Plan ("Emcure ESOS 2013").

The Group accounts for the share based payment transactions as equity settled.

The grant date fair value of equity settled share-based payment awards granted to employees of the Group is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

The Group also grants the options to the employees of its subsidiaries for which subsidiary does not have an obligation to settle the share based payment transaction. Total expense for such options issued to employees of subsidiary is recognised as an expense and corresponding increase in share options outstanding account.

If options granted cancelled or settled during the vesting period/ after vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) then group immediately recognises the remaining amount of goods & services that have not been recorded in Profit & loss statement so far. Any payment made to the employee on the cancellation or settlement of the grant shall be accounted for as the repurchase of an equity interest, i.e. as a deduction from equity, except to the extent that the payment exceeds the fair value of the equity instruments granted, measured at the repurchase date. Any such excess shall be recognised as an expense.

iii. Defined contribution plan
A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit or loss in the periods during which the related services are rendered by employees.
Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iv. Defined benefit plan
A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results is a potential asset for the Group, the recognised asset is limited to the present value of economic benefit available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.
Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of the plan are changed or when plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gain and losses on the settlement of a defined benefit plan when the settlement occurs.

v. Stock Appreciation Rights (SAR's)

Stock Appreciation Rights (SAR's) are provided to certain senior executives level employees of the Group. Payout related to these SAR's is dependent on the achievement of the defined EBITDA level by the wholly own subsidiary of the Parent. As the final payout is not based on the subsidiary's share price these SAR's are not within the scope of Ind AS 102 and hence the payment is an employee benefit expense which is accounted for under Ind AS 19 'Employee Benefits'. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

vi. Other long term employee benefit

The Group's liability in respect of other long-term employee benefits (compensated absences) is the amount of future benefit that employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the Projected Unit Credit method. Remeasurement gains or losses are recognised in profit or loss in the period in which they arise.

1C. Significant accounting policies (continued)

i) Provisions (other than for employee benefits), Contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax-rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

i. Sales returns and breakage expiry

When a customer has a right to return the product within a given period, the Group has recognised a provision for returns. The provision is measured equal to the value of the sales expected to return in the future period. Revenue is adjusted for the expected value of the returns and cost of sales are adjusted for the value of the corresponding goods to be returned.

The Group has an obligation to replace the goods which will expire. The Group has recognised a provision for the returns due to expiry. The provision is measured on the basis of historical trend of expiry against the sales occurred in the current and earlier period. Management considers the sales value for the periods which are equivalent to average general shelf life of products. Revenue is adjusted for the expected value of the returns.

ii. Contingencies

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines, penalties, etc. are recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably.

iii. Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognized in the restated consolidated financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefit will arise, the asset and related income are recognized in the period in which the change occurs. A contingent asset is disclosed, where an inflow of economic benefits is probable.

j) Revenue (Refer note 53)

Sale of goods

Revenue is measured based on the consideration specified in a contract with a customer. Consideration is allocated to each performance obligation specified in the contract. The Group recognises revenue pertaining to each performance obligation when it transfers control over a product to a customer, which is adjusted for expected refunds, which are estimated based on the historical data, adjusted as necessary. The transaction price is also adjusted for the effect of time value of money if the contract includes significant financing component.

The consideration can be fixed or variable. Where the consideration promised in a contract includes a variable amount, the Group estimates the amount of consideration to which the Group will be entitled in exchange for transferring the promised goods or services to a customer. Variable consideration is only recognised when it is highly probable that a significant reversal will not occur.

The Group recognises refund liability where the Group receives consideration from a customer and expects to refund some or all of that consideration to the customer. The refund liability is measured at the amount of consideration received (or receivable) for which the entity does not expect to be entitled (i.e. amounts not included in the transaction price). The right to recover returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The provision on account of the expected amount of returns is included in provisions and the right to recover returned goods is included in inventory.

Rendering of services (other than sale of technology / know-how, rights and licenses)

Revenue from rendering of services is recognised in statement of profit and loss by reference to percentage completion method. The Company is involved in rendering services related to its products to its customers. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on a relative fair value basis between the different services.

Rendering of services - sale of technology / know-how, rights and licenses

Income from sale of technology / know-how, rights and licenses is recognised in accordance with the terms of the contract with customers when the related performance obligation is completed, or when control is transferred, as applicable.

k) Government grants

The Company recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants received in relation to assets are presented as a reduction to the carrying amount of the related asset. Grants related to income are deducted in reporting the related expense in the statement of profit and loss.

Export entitlements from government authorities are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Company, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

1C. Significant accounting policies (continued)

l) Leases

The Group as a lessee

The group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires judgment. The group uses judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The group revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate in the country of domicile of the leases .The lease payments shall include fixed payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

m) Recognition of interest income or expenses

Interest income is recognised using effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of financial instrument to:

- The gross carrying amount of the financial assets; or
- The amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

n) Income tax

Income tax expense comprises of current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss of the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

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.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

1C. Significant accounting policies (continued)

n) Income tax (continued)

ii. Deferred tax (continued)

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

o) Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

p) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprises cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

q) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the Group are identified as Chief operating decision maker. Refer note 47 for segment information.

r) Earnings per share

The basic earnings per share is computed by dividing the net profit / (loss) after tax attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period.

Diluted earnings per share is computed by dividing the net profit / (loss) after tax attributable to the equity shareholders for the period by the weighted average number of equity and equivalent dilutive equity shares outstanding during the reporting period, except where the results would be anti-dilutive.

s) Exceptional item

In certain instances, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, such income or expenses is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the restated consolidated financials statements.

t) Cash flow statement

Cash flow from operating activities are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated. For the purpose of cash flow statement bank overdraft that are repayable on demand are considered as cash and cash equivalent as it form an integral part of the Group's cash management.

u) Rounding of amounts

All amounts disclosed in the restated consolidated financial statements and notes have been rounded off to the nearest million as per the requirement of Schedule III, unless otherwise stated.

v) Research and development

Revenue expenditure on research and development activities is recognized as expense in the period in which it is incurred.

Note 1D. Recent accounting 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 errors 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 asset under development.
• If a company 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 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 standalone financial statements.

The amendments are extensive and the group will evaluate the same to give effect to them as required by law.

EMCURE PHARMACEUTICALS LIMITED

Annexure V- Notes to the restated consolidated financial statements (continued)

Rs. in million

Note 2A - Property, plant and equipment	Gross book value						Accumulated depreciation						Net book value
	April 1, 2020	Additions during the year	Deletion during the year	Other adjustments	Exchange difference on translation of foreign operations	March 31, 2021	April 1, 2020	Charge for the year	Deletion during the year	Other adjustments	Exchange difference on translation of foreign operations	March 31, 2021	March 31, 2021
Freehold land	27.45	14.83	-	-	-	42.28	-	-	-	-	-	-	42.28
Leasehold improvements	1,847.54	2.70	-	-	(52.03)	1,798.21	627.04	223.33	-	-	(18.70)	831.67	966.54
Building	4,383.02	226.12	-	-	-	4,609.14	544.08	164.24	-	-	-	708.32	3,900.82
Plant and machinery	11,967.15	2,178.45	(54.28)	-	(30.98)	14,060.34	4,671.17	1,143.18	(34.20)	-	(15.48)	5,764.67	8,295.67
Electrical installation	781.17	74.75	-	-	-	855.92	324.78	77.66	-	-	-	402.44	453.48
Air handling equipment	993.20	128.60	-	-	-	1,121.80	351.20	87.03	(0.13)	-	-	438.10	683.70
Computers	555.91	70.82	(0.21)	-	(2.74)	623.78	362.84	84.40	(0.18)	-	(1.34)	445.72	178.06
Office equipment	192.77	10.41	(0.57)	-	1.46	204.07	125.24	24.62	(0.26)	-	0.88	150.48	53.59
Furniture and fixtures	390.73	51.30	(0.87)	-	1.27	442.43	157.83	39.52	(0.48)	-	0.10	196.97	245.46
Vehicles	214.82	20.12	(16.77)	-	(0.16)	218.01	149.60	28.91	(14.76)	-	1.16	164.91	53.10
Total	**21,353.76**	**2,778.10**	**(72.70)**	**-**	**(83.18)**	**23,975.98**	**7,313.78**	**1,872.89**	**(50.01)**	**-**	**(33.38)**	**9,103.28**	**14,872.70**

Rs. in million

Note 2A - Property, plant and equipment	Gross book value						Accumulated depreciation						Net book value
	April 1, 2019	Additions during the year	Deletion during the year	Other adjustments	Exchange difference on translation of foreign operations	March 31, 2020	April 1, 2019	Charge for the year	Deletion during the year	Other adjustments	Exchange difference on translation of foreign operations	March 31, 2020	March 31, 2020
Freehold land	27.45	-	-	-	-	27.45	-	-	-	-	-	-	27.45
Leasehold improvements	1,712.03	28.65	(3.47)	-	110.33	1,847.54	367.05	228.93	(1.67)	-	32.73	627.04	1,220.50
Building	4,216.76	166.26	-	-	-	4,383.02	387.95	156.13	-	-	-	544.08	3,838.94
Plant and machinery	10,607.24	1,323.67	(21.57)	-	57.81	11,967.15	3,553.11	1,101.27	(11.74)	-	28.53	4,671.17	7,295.98
Electrical installation	677.89	103.97	(0.69)	-	-	781.17	249.51	75.42	(0.15)	-	-	324.78	456.39
Air handling equipment	902.03	91.70	(0.53)	-	-	993.20	267.40	83.98	(0.18)	-	-	351.20	642.00
Computers	478.29	72.48	(0.47)	-	5.61	555.91	261.92	98.06	(0.44)	-	3.30	362.84	193.07
Office equipment	178.63	12.29	(0.24)	-	2.09	192.77	95.53	28.26	(0.18)	-	1.63	125.24	67.53
Furniture and fixtures	358.16	30.97	(0.26)	-	1.86	390.73	116.97	39.01	(0.12)	-	1.97	157.83	232.90
Vehicles	214.43	10.81	(10.46)	-	0.04	214.82	123.61	34.25	(8.09)	-	(0.17)	149.60	65.22
Total	**19,372.91**	**1,840.80**	**(37.69)**	**-**	**177.74**	**21,353.76**	**5,423.05**	**1,845.31**	**(22.57)**	**-**	**67.99**	**7,313.78**	**14,039.98**

Rs. in million

Note 2A - Property, plant and equipment	Gross book value						Accumulated depreciation						Net book value
	April 1, 2018	Additions during the year	Deletion during the year	Reclassified on adoption of Ind AS 116	Exchange difference on translation of foreign operations	March 31, 2019	April 1, 2018	Charge for the year	Deletion during the year	Reclassified on adoption of Ind AS 116	Exchange difference on translation of foreign operations	March 31, 2019	March 31, 2019
Freehold land	27.45	-	-	-	-	27.45	-	-	-	-	-	-	27.45
Leasehold land	928.66	-	-	(928.66)	-	-	20.96	-	-	(20.96)	-	-	-
Leasehold improvements	1,554.28	85.64	(32.80)	-	104.91	1,712.03	131.60	230.69	-	(2.49)	7.25	367.05	1,344.98
Building	2,919.29	1,297.47	-	-	-	4,216.76	274.18	113.77	-	-	-	387.95	3,828.81
Plant and machinery	8,721.99	1,869.80	(30.46)	-	45.91	10,607.24	2,543.99	1,001.83	(12.79)	-	20.08	3,553.11	7,054.13
Electrical installation	495.35	182.74	(0.20)	-	-	677.89	182.94	66.66	(0.09)	-	-	249.51	428.38
Air handling equipment	762.18	144.42	(4.57)	-	-	902.03	186.90	83.32	(2.82)	-	-	267.40	634.63
Computers	339.39	134.06	(1.39)	-	6.23	478.29	166.26	92.26	(0.96)	-	4.36	261.92	216.37
Office equipment	138.11	39.02	(0.36)	-	1.86	178.63	67.75	26.98	(0.22)	-	1.02	95.53	83.10
Furniture and fixtures	250.77	105.94	(0.11)	-	1.56	358.16	83.53	32.58	(0.01)	-	0.87	116.97	241.19
Vehicles	195.78	22.04	(11.26)	-	7.87	214.43	88.41	36.82	(9.32)	-	7.70	123.61	90.82
Total	**16,333.25**	**3,881.13**	**(81.15)**	**(928.66)**	**168.34**	**19,372.91**	**3,746.52**	**1,684.91**	**(26.21)**	**(23.45)**	**41.28**	**5,423.05**	**13,949.86**

EMCURE PHARMACEUTICALS LIMITED
Annexure V- Notes to the restated consolidated financial statements (continued)

Rs. in million

Note 2B - Capital in work in progress	April 1, 2020	Additions during the year	Capitalised during the year	Disposal during the year	Exchange difference on translation of foreign operations	March 31, 2021
Capital in work in progress	3,319.35	1,102.67	(2,205.02)	(0.53)	(0.52)	2,215.95
Total	**3,319.35**	**1,102.67**	**(2,205.02)**	**(0.53)**	**(0.52)**	**2,215.95**

Rs. in million

Note 2B - Capital in work in progress	April 1, 2019	Additions during the Year	Capitalised during the Year	Disposal during the year	Exchange difference on translation of foreign operations	March 31, 2020
Capital in work in progress	4,217.61	758.52	(1,566.16)	(93.69)	3.07	3,319.35
Total	**4,217.61**	**758.52**	**(1,566.16)**	**(93.69)**	**3.07**	**3,319.35**

Rs. in million

Note 2B - Capital in work in progress	April 1, 2018	Additions during the Year	Capitalised during the Year	Disposal during the year	Exchange difference on translation of foreign operations	March 31, 2019
Capital in work in progress	4,935.03	2,420.33	(3,150.23)	-	12.48	4,217.61
Total	**4,935.03**	**2,420.33**	**(3,150.23)**	**-**	**12.48**	**4,217.61**

Notes for schedule 2A and 2B:

1. The capital work in progress at the year end mainly consists of plant and machinery, building and other assets pertaining to various projects/ plants, expansion of existing facilities, etc.

2. Gain arising from the effect of changes in foreign exchange rates on foreign currency loans relating to acquisition of depreciable capital assets, amounting to Rs. NIL (March 31, 2020: gain of Rs. 3.01 million, March 31, 2019: gain of Rs. 51.75 million) relating to eligible assets for the year ended March 31, 2021, have been added to the cost of such assets.

3. The effect of changes in foreign currency exchange rates on foreign currency translation on gross block of capital assets, amounting to Rs. 83.18 million relating to eligible assets have been deducted from the cost of such assets (March 31, 2020: gain of Rs. 177.74 million, March 31, 2019: gain of Rs. 168.34 million) and on accumulated depreciation, amounting to Rs. 33.38 million relating to eligible assets, have been deducted to the accumulated depreciation of such assets (March 31, 2020: gain of Rs. 67.99 million, March 31, 2019: gain of Rs. 41.28 million).

4. The effect of changes in foreign currency exchange rates on foreign currency translation of Capital-work-in-progress, amounting to Rs 0.52 million for the year ended March 31, 2021, have been deducted from the cost of such assets in Capital work in progress (March 31, 2020: gain of Rs. 3.07 million, March 31, 2019: gain of Rs. 12.48 million).

5. The borrowing cost capitalised on qualifying assets amounting to Rs. 124.91 million (March 31, 2020: Rs. 18.23 million, March 31, 2019: Rs. 25.32 million) have been added to the cost of assets.

6. The capitalisation rate used to determine the amount of borrowing costs to be capitalised is @ 8.50% (March 31, 2020: 8.30%-10.88%, March 31, 2019: 5.66%-10.15%).

7. On transition to Ind AS, the Group has elected to continue with the carrying value of all its property, plant and equipment recognised and measured as per the previous GAAP and used that carrying value as the deemed cost of the property, plant and equipment.

Refer note 54 for information on property, plant and equipment pledged as security by the group.

Note 3 : Leases

Transition to Ind AS 116

Lease standard i.e., Ind AS 116 has been notified to be effective w.e.f. 1 April 2019 for accounting of the lease contracts entered in the capacity of a lessee. For the purpose of preparation of Restated Consolidated Financial Information, the management has evaluated the impact of change in accounting policies on adoption of Ind AS 116 for the year ended 31 March 2019. Hence, in these Restated Consolidated Financial Information, Ind AS 116 has been adopted with effect from 1 April 2018 following modified retrospective method (i.e. on 1 April 2018 the Group has measured the lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate and a right-of-use asset at an amount equal to the lease liability, adjusted by amount of any accrued lease payments relating to the lease recognized the balance sheet immediately before the date of initial application.

Group as a lessee

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under Ind AS 116, the Group recognises right-of-use assets and lease liabilities for most leases i.e. these leases are on balance sheet.
On transition, the Group has applied following practical expedients:

(1) Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.

(2) Applied the exemption not to recognise right-of-use-assets and liabilities for leases with less than 12 months of lease term on the date of transition and low value assets.
(3) Excluded the initial direct costs from the measurement of the right-of -use-asset at the date of transition

(4) Grandfathered the assessment of contracts which are, or contain leases as was previously identified as leases applying "Ind AS 17- Leases". Accordingly, Ind AS 116 is not applied to those contracts that were not previously identified as containing a lease applying Ind AS 17.

(5) Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

The Group has also applied recognition exemptions of short-term leases to all categories of underlying assets.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use assets and finance cost for interest accrued on lease liabilities.

On transition to Ind AS 116 with effect from 1 April 2018, the Group recognised a lease liability measured at the present value of the remaining lease payments. The right-of use asset is recognised an amount equal to the lease liability, adjusted by amount of any accrued lease payments relating to the lease recognized the balance sheet immediately before the date of initial application. Accordingly, lease liability of Rs. 1,958.57 million has been recognized & right-of-use asset of Rs. 1,946.35 million has been recognised after adjusting lease equlisation levy of Rs. 12.22 million against right of use asset.

Lease contracts entered by the Group majorly pertains for land & buildings taken on lease to conduct its business in the ordinary course. Information about leases for which the Group is lessee is presented as below:

Right-Of -Use Of Asset

Rs. in million

Particulars	Land	Land & Building	Computers	Total
Initial recognition as on 1st April, 2018	6.38	1,939.97	-	1,946.35
Reclassification from property, plant & equipment	907.70	-	-	907.70
Additions for new leases entered during the year	4.79	70.02	-	74.81
Reclassification from prepaid expenses with respect to fair valuation of security deposit given on assets taken on lease	-	12.40	-	12.40
Depreciation charge for the year	(10.33)	(331.88)	-	(342.21)
Translation exchange differences	-	(0.20)	-	(0.20)
Balance As On 31st March 2019	**908.54**	**1,690.31**	**-**	**2,598.85**
IND AS 116 transition adjustment	0.45	160.36	-	160.81
Additions for new leases entered during the year	-	-	-	-
Depreciation charge for the year	(10.28)	(358.90)	-	(369.18)
Translation exchange differences	-	(9.07)	-	(9.07)
Balance As On 31st March 2020	**898.71**	**1,482.70**	**-**	**2,381.41**
Additions for new leases entered during the year	-	203.99	60.38	264.37
Deletions for leases terminated during the year	-	(10.44)	-	(10.44)
Depreciation charge for the year	(10.19)	(363.53)	(7.00)	(380.72)
Translation exchange differences	-	(11.77)	-	(11.77)
Balance As On 31st March 2021	**888.52**	**1,300.95**	**53.38**	**2,242.85**

Lease Liabilities

Rs. in million

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Balance as at the beginning of the year	1,571.22	1,781.87	-
Initial Recognition as on April 1, 2018	-	-	1,958.57
IND AS 116 transition adjustment	-	80.85	-
Additions for new leases entered during the year	264.73	-	70.02
Deletions for leases terminated during the year	(11.37)	-	-
Interest on lease liabilities	119.27	122.12	136.99
Repayment of lease liabilities	(436.80)	(415.54)	(383.89)
Translation exchange differences	(14.57)	1.92	0.18
Balance as at the end of the year	**1,492.48**	**1,571.22**	**1,781.87**
Current	324.43	297.23	286.95
Non-current	1,168.05	1,273.99	1,494.92

Maturity analysis - contractual undiscounted cash flows-

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Less than one year	422.46	395.23	406.00
One to five years	1,048.66	1,154.31	1,297.57
More than five years	540.50	666.21	805.85
Total undiscounted lease liabilities as at year end	**2,011.62**	**2,215.75**	**2,509.42**

Amount recognised in statement of Profit or Loss

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Interest on lease liabilities	(119.27)	(122.12)	(136.99)
Depreciation on ROU	(380.72)	(369.18)	(342.21)
Expenses relating to short term leases	(7.07)	(20.48)	(44.45)
Expenses relating to leases of low value assets	(16.25)	(11.76)	(14.92)
Expenses relating to variable lease payments	(10.17)	(4.88)	(7.54)
Total	**(533.48)**	**(528.42)**	**(546.11)**

Amounts recognised in statement of cash flow

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Cash flow from financing activities			
- Repayment of lease liabilities	(436.80)	(415.54)	(383.89)

The weighted average incremental borrowing rate in range of 2.5% - 10.13% (March 31, 2020: 2.5% - 10.20%, March 31, 2019: 2.5% - 10.20%) has been applied to lease liabilities recognised in the balance sheet.

EMCURE PHARMACEUTICALS LIMITED
Annexure V- Notes to the restated consolidated financial statements (continued)

Rs. in million

Note 4 - Other Intangible assets	Gross book value					Accumulated amortisation & Impairment loss						Net book value
	April 1, 2020	Additions during the Year	Deletion during the Year	Exchange difference on translation of foreign operations	March 31, 2021	April 1, 2020	Amortisation for the year	Impairment loss for the year	Disposal during the Year	Exchange difference on translation of foreign operations	March 31, 2021	March 31, 2021
Brands	1,241.78	-	-	18.82	1,260.60	633.50	137.97	-	-	9.12	780.59	480.01
Software	495.03	134.34	-	1.68	631.05	371.98	95.53	-	-	1.38	468.89	162.16
Licensing Rights	1,619.78	147.71	-	136.62	1,904.11	679.36	322.39	31.54	-	59.95	1,093.24	810.87
Product Development	25.30	-	-	1.42	26.72	8.21	0.57	-	-	(0.24)	8.54	18.18
Customer relationships	1,669.70	-	-	146.52	1,816.22	1,474.89	116.87	-	-	133.63	1,725.39	90.83
Product pipeline	178.73	-	-	15.68	194.41	78.93	6.26	-	-	7.15	92.34	102.07
Abbreviated new drug application's	2,370.86	591.79	-	(64.74)	2,897.91	848.49	299.90	405.41	-	(23.65)	1,530.15	1,367.76
Total	**7,601.18**	**873.84**	**-**	**256.00**	**8,731.02**	**4,095.36**	**979.49**	**436.95**	**-**	**187.34**	**5,699.14**	**3,031.88**

Rs. in million

Note 4 - Other Intangible assets	Gross book value					Accumulated amortisation					Net book value
	April 1, 2019	Additions during the Year	Deletion during the Year	Exchange difference on translation of foreign operations	March 31, 2020	April 1, 2019	Charge for the year	Disposal during the Year	Exchange difference on translation of foreign operations	March 31, 2020	March 31, 2020
Brands	1,337.09	-	(98.22)	2.91	1,241.78	546.50	154.69	(68.78)	1.09	633.50	608.28
Software	442.50	51.67	-	0.86	495.03	278.04	93.00	-	0.94	371.98	123.05
Licensing Rights	1,421.11	152.56	(13.24)	59.35	1,619.78	504.72	164.08	-	10.56	679.36	940.42
Product Development	25.08	-	-	0.22	25.30	6.37	1.62	-	0.22	8.21	17.09
Customer relationships	1,647.05	-	-	22.65	1,669.70	1,125.48	332.50	-	16.91	1,474.89	194.81
Product pipeline	176.31	-	-	2.42	178.73	60.22	17.80	-	0.91	78.93	99.80
Abbreviated new drug application's	1,891.03	399.16	(27.43)	108.10	2,370.86	589.18	230.16	(27.43)	56.58	848.49	1,522.37
Total	**6,940.17**	**603.39**	**(138.89)**	**196.51**	**7,601.18**	**3,110.51**	**993.85**	**(96.21)**	**87.21**	**4,095.36**	**3,505.82**

Rs. in million

Note 4 - Other Intangible assets	Gross book value					Accumulated amortisation					Net book value
	April 1, 2018	Additions during the Year	Deletion during the Year	Exchange difference on translation of foreign operations	March 31, 2019	April 1, 2018	Charge for the year	Disposal during the Year	Exchange difference on translation of foreign operations	March 31, 2019	March 31, 2019
Brands	1,309.87	18.05	-	9.17	1,337.09	388.40	156.08	-	2.02	546.50	790.59
Software	309.08	132.72	(0.04)	0.74	442.50	198.89	78.61	(0.02)	0.56	278.04	164.46
Licensing Rights	1,357.00	42.18	(41.93)	63.86	1,421.11	368.33	161.86	(41.93)	16.46	504.72	916.39
Product Development	24.39	-	-	0.69	25.08	4.60	1.62	-	0.15	6.37	18.71
Customer relationships	1,575.66	-	-	71.39	1,647.05	761.57	332.44	-	31.47	1,125.48	521.57
Product pipeline	168.67	-	-	7.64	176.31	40.75	17.78	-	1.69	60.22	116.09
Abbreviated new drug application's	1,713.91	82.49	-	94.63	1,891.03	347.36	222.25	-	19.57	589.18	1,301.85
Total	**6,458.58**	**275.44**	**(41.97)**	**248.12**	**6,940.17**	**2,109.90**	**970.64**	**(41.95)**	**71.92**	**3,110.51**	**3,829.66**

Note:

1. The effect of changes in foreign currency exchange rates on foreign currency translation on gross block capital assets, amounting to Rs. 256.00 million (March 31, 2020: Rs. 196.51 million, March 31, 2019: Rs. 248.12 million) relating to eligible assets for the year ended March 31, 2021, have been added to the cost of such assets and on accumulated depreciation, amounting to loss of Rs. 187.34 million (March 31, 2020: Rs.87.21 million, March 31, 2019: Rs. 71.92 million) relating to eligible assets for the year ended March 31, 2021, have been added to the accumulated depreciation of such assets.

2. During the year ended March 31, 2021, the Group has impaired certain ANDA's as their future discounted cashflows did not support the net book values as on March 31, 2021. The impairment charge of Rs. 405.41 million is recognised in statement of restated consolidated profit or loss. Also the group has also impaired licencing rights related discontinuation of certain products. The impairment charge of Rs. 31.54 million is recognised in statement of restated consolidated profit or loss. These impaired assets relate to the North America segment of the group. This impairment charge been considered as an exceptional item in the Restated Consolidated Statement of Profit and Loss for the year ended March 31, 2021. No Impairment loss on ANDAs or Licensing rights was recognised during the year ended March 30, 2020 or March 30, 2019.

The recoverable amount was determined using the value in use based on the discounted future cashflows from the assets. The value in use has been calculated using a discount rate of 7.1%.

Rs. in million

Note 5 - Intangible assets under development	April 1, 2020	Additions during the Year	Capitalised during the Year	Exchange difference on translation of foreign operations	March 31, 2021
Intangible assets under development	1,530.31	16.83	(708.46)	(38.37)	800.31
Total	**1,530.31**	**16.83**	**(708.46)**	**(38.37)**	**800.31**

Rs. in million

Note 5 - Intangible assets under development	April 1, 2019	Additions during the Year	Capitalised during the Year	Exchange difference on translation of foreign operations	March 31, 2020
Intangible assets under development	1,590.94	252.82	(424.42)	110.97	1,530.31
Total	**1,590.94**	**252.82**	**(424.42)**	**110.97**	**1,530.31**

Note 5 - Intangible assets under development	April 1, 2018	Additions during the Year	Capitalised during the Year	Exchange difference on translation of foreign operations	March 31, 2019
Intangible assets under development	375.25	1,303.97	(110.57)	22.29	1,590.94
Total	**375.25**	**1,303.97**	**(110.57)**	**22.29**	**1,590.94**

Notes :

1. The effect of changes in foreign currency exchange rates on foreign currency translation on Intangible under development, amount to Rs. 38.37 million in relation to eligible assets for the year ended March 31, 2021 has been deducted from cost of such asset in intangible asset under development (March 31, 2020: gain of Rs. 110.97 million, March 31, 2019: gain of Rs. 22.29 million).

2. Intangible assets under development at the year end mainly consist of abbreviated new drug application and other intangible assets under development.

EMCURE PHARMACEUTICALS LIMITED
Annexure V- Notes to the restated consolidated financial statements (continued)

Rs. in million

Note 6 Non-current investments	March 31, 2021	March 31, 2020	March 31, 2019
Investment in government securities			
Unquoted- valued at amortised cost			
National Savings Certificates	0.03	0.03	0.04
Aggregate value of unquoted Investments	**0.03**	**0.03**	**0.04**

Rs. in million

Note 7 Loans	March 31, 2021	March 31, 2020	March 31, 2019
Unsecured considered good (unless otherwise stated)			
Security deposits	289.00	259.05	225.66
Total	**289.00**	**259.05**	**225.66**

Rs. in million

Break-up of security details	March 31, 2021	March 31, 2020	March 31, 2019
Loans considered good - Secured	-	-	-
Loans considered good - Unsecured	289.00	259.05	225.66
Loans which have significant increase in credit risk	-	-	-
Loans - credit impaired	-	-	-
Total	**289.00**	**259.05**	**225.66**
Less: Loss allowance	-	-	-
Total	**289.00**	**259.05**	**225.66**

Rs. in million

Note 8 Other non-current financial assets	March 31, 2021	March 31, 2020	March 31, 2019
Unsecured considered good (unless otherwise stated)			
Term deposits with banks having remaining maturity period of more than 12 months (refer note below)	82.81	132.56	84.63
Deposit with Provident Fund authority	20.00	20.00	20.00
Insurance Receivable	-	-	416.20
Total	**102.81**	**152.56**	**520.83**

Note: Out of above certain fixed deposits are held as lien by bank for performance bank guarantees & others (refer note 54).

Rs. in million

Note 9 Other non-current assets	March 31, 2021	March 31, 2020	March 31, 2019
Unsecured considered good (unless otherwise stated)			
Capital advances	109.60	258.71	247.79
Prepaid expenses	2.53	2.62	0.30
Balances with government authorities	108.50	108.79	139.52
Total	**220.63**	**370.12**	**387.61**

Rs. in million

Note 10 Inventories	March 31, 2021	March 31, 2020	March 31, 2019
Raw materials [includes in transit Rs. 338.59 million (March 31, 2020 - Rs. 95.22 million, March 31, 2019 - Rs. 67.76 million)]	4,022.91	3,370.56	2,918.48
Packing materials [includes in transit Rs. 15.06 million (March 31, 2020 - Rs. 15.82 million, March 31, 2019 - Rs. 22.21 million)]	647.83	531.56	565.53
Work-in-progress	1,541.04	692.78	1,113.26
Finished goods	2,041.93	1,479.48	1,429.28
Stock-in-trade [includes in transit Rs 828.36 million (March 31, 2020 - Rs. 679.48 million, March 31, 2019 - Rs. 1,321.47 million)]	6,508.60	5,393.05	5,041.87
Stores and spares [Includes in transit Rs. 3.44 million (March 31, 2020 - Rs. Nil, March 31, 2019 - Rs. Nil)]	382.04	264.12	209.09
Total	**15,144.35**	**11,731.55**	**11,277.51**

Notes :

1. Amounts recognised in statement of profit or loss

Write-downs of inventories as at the year end amounted to Rs. 897.44 million (March 31, 2020 - Rs. 790.99 million, March 31, 2019 - Rs. 693.92 million). Increase/decrease in write-down provision is recognised as an expense during the year and included in cost of materials consumed or changes in inventories of finished goods, work-in-progress and traded goods in statement of profit and loss.

2. Refer note 54 for information on Inventories pledged as security by the group.

Rs. in million

Note 11 Trade receivables	March 31, 2021	March 31, 2020	March 31, 2019
Unsecured, considered good	14,753.62	11,452.14	9,720.35
Doubtful	494.65	225.51	174.99
Less: Allowance for doubtful debts	(494.65)	(225.51)	(174.99)
Total	**14,753.62**	**11,452.14**	**9,720.35**

Rs. in million

Break-up of trade receivables	March 31, 2021	March 31, 2020	March 31, 2019
Trade receivables considered good - Secured	-	-	-
Trade receivables considered good - Unsecured	14,753.62	11,452.14	9,720.35
Trade receivables which have significant increase in credit risk	-	-	-
Trade receivables - credit impaired	494.65	225.51	174.99
Total	**15,248.27**	**11,677.65**	**9,895.34**
Less: Loss allowance	(494.65)	(225.51)	(174.99)
Total	**14,753.62**	**11,452.14**	**9,720.35**

Refer note 54 for information on trade receivables pledged as security by the group.
The Group's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 41.

Rs. in million

Note 12 Cash and cash equivalents	March 31, 2021	March 31, 2020	March 31, 2019
Cash on hand	3.90	3.49	1.15
Balances with bank in current accounts	4,593.78	1,189.30	907.77
Balances with bank in cash credit accounts	83.03	-	-
Demand deposits (with original maturity of less than 3 months)	6.75	94.64	5.55
Total	**4,687.46**	**1,287.43**	**914.47**

Rs. in million

Note 13 Bank balances other than cash and cash equivalents	March 31, 2021	March 31, 2020	March 31, 2019
Term deposits with banks having initial maturity of more than 3 months but remaining maturity of less than 12 months (refer note below)	547.91	350.94	128.42
Total	**547.91**	**350.94**	**128.42**

Note: Out of above certain fixed deposits are held as lien by bank for performance bank guarantees, bid bonds & others.

Rs. in million

Note 14 Other current financial assets	March 31, 2021	March 31, 2020	March 31, 2019
Unsecured considered good (unless otherwise stated)			
Interest accrued on deposits with bank	9.88	12.44	3.81
Interest accrued on deposits with others	1.46	1.18	1.16
Receivable on sale of property, plant and equipment	-	98.22	192.71
Government grant receivable (refer note 61)	114.25	-	-
Others	5.52	22.44	62.35
Total	**131.11**	**134.28**	**260.03**

Rs. in million

Note 15 Other current assets	March 31, 2021	March 31, 2020	March 31, 2019
Unsecured considered good (unless otherwise stated)			
Advances for supply of goods and services	380.41	526.72	409.88
Balances with government authorities	1,228.89	1,309.44	1,642.16
Advance to employees	90.00	33.90	29.70
Prepaid expenses	160.49	174.83	138.62
Others	50.27	29.58	11.38
Total	**1,910.06**	**2,074.47**	**2,231.74**

Rs. in million

Note 16 Equity Share Capital	March 31, 2021		March 31, 2020		March 31, 2019	
	Number of shares	Value	Number of shares	Value	Number of shares	Value
a. Authorised share capital						
Equity Shares of Rs. 10 each	20,00,00,000	2,000.00	20,00,00,000	2,000.00	20,00,00,000	2,000.00
b. Issued, subscribed and paid up capital*						
Equity Shares of Rs. 10 each	18,08,52,116	1,808.52	18,08,52,116	1,808.52	18,08,52,116	1,808.52

* All issued shares are fully paid up.

c. Reconciliation of the number of the shares outstanding at the beginning and at the end of the year

Rs. in million

Particulars	March 31, 2021		March 31, 2020		March 31, 2019	
	Number of shares	Value	Number of shares	Value	Number of shares	Value
Equity Shares outstanding at the beginning and at the end of the year	18,08,52,116	1,808.52	18,08,52,116	1,808.52	18,08,52,116	1,808.52

The Holding Company has also issued share options to its employees and employees of the subsidiaries, refer note 50.

d. Rights, preferences and restrictions attached to equity shares

The Holding Company has one class of equity shares having a par value of Rs. 10 per share. 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, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Holding Company after distribution of all preferential amounts, in proportion to their shareholding.

e. Employee stock options

Terms attached to stock options granted to employees of the Holding Company and subsidiaries are described in note 50 regarding share-based payments.

f. Bonus Shares

No shares were issued for consideration other than cash during the period of five years immediately preceding the year ended March 31, 2021.

g. Details of equity shareholders holding shares more than 5%

Particulars	March 31, 2021		March 31, 2020		March 31, 2019	
	No. of Shares held	% of Shareholding	No. of Shares held	% of Shareholding	No. of Shares held	% of Shareholding
Satish Mehta	7,57,78,176	41.90%	7,57,49,248	41.88%	7,57,24,248	41.87%
BC Investments IV Limited	2,36,73,544	13.09%	2,36,73,544	13.09%	2,36,73,544	13.09%
Sanjay Mehta	1,57,64,028	8.72%	1,57,64,028	8.72%	1,57,64,028	8.72%
Samit Mehta	1,35,47,632	7.49%	1,35,47,632	7.49%	1,35,47,632	7.49%
Sunil Mehta	1,10,85,012	6.13%	1,10,85,012	6.13%	1,10,85,012	6.13%
Bhavana Mehta	93,88,288	5.19%	93,88,288	5.19%	93,88,288	5.19%
Total	**14,92,36,680**	**82.52%**	**14,92,07,752**	**82.50%**	**14,91,82,752**	**82.49%**

h. Shares reserved for issue under options:

Rs. in million

Particulars	March 31, 2021		March 31, 2020		March 31, 2019	
	Number of shares	Value	Number of shares	Value	Number of shares	Value
Equity shares with face value of Rs. 10 each (refer note 50)						
a. Under ESOS, 2013; at an exercise price of Rs. 221.25 per share	9,00,000	9.00	12,10,000	12.10	14,00,000	14.00
b. Under ESOS, 2013; at an exercise price of Rs. 300 per share	-	-	-	-	1,00,000	1.00
c. Under ESOS, 2013; at an exercise price of Rs. 508.75 per share	60,000	0.60	60,000	0.60	1,20,000	1.20
d. Under ESOS, 2013; at an exercise price of Rs. 522 per share	1,60,000	1.60	18,45,000	18.45	13,10,000	13.10
e. Under ESOS, 2013; at an exercise price of Rs. 580 per share	2,55,000	2.55	5,25,000	5.25	-	-
f. Under ESOS, 2013; at an exercise price of Rs. 620 per share	2,20,000	2.20	-	-	-	-
Total	**15,95,000**	**15.95**	**36,40,000**	**36.40**	**29,30,000**	**29.30**

Rs. in million

Note 17 **Other Equity**	**Note**	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Reserves and Surplus				
Capital reserve	(i)	12.92	12.92	12.92
Securities premium	(ii)	840.37	840.37	840.37
Share options outstanding account	(iii)	117.22	268.70	152.61
Foreign currency translation reserve	(iv)	760.17	772.10	387.23
General reserve	(v)	1,751.35	1,727.39	1,709.11
Retained earnings	(vi)	17,439.67	13,689.54	13,381.85
Total		**20,921.70**	**17,311.02**	**16,484.09**

Rs. in million

Other Equity	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
i) Capital reserve			
Balance as at the beginning and end of the year	**12.92**	**12.92**	**12.92**
ii) Securities premium			
Balance as at the beginning and end of the year	**840.37**	**840.37**	**840.37**
iii) Share options outstanding account			
Balance as at the beginning of the year	268.70	152.61	162.63
Employee share - based expense recognised in statement of profit and loss	63.48	144.19	52.87
Options forfeited, transferred to general reserve	(32.84)	(28.10)	(62.89)
Options settled in cash during the year	(182.12)	-	-
Balance as at the end of the year	**117.22**	**268.70**	**152.61**
iv) Foreign currency translation reserve			
Balance as at the beginning of the year	772.10	387.23	40.20
IND AS 116 transition adjustment (refer Annexure VI)	-	0.39	-
Exchange differences in translating financials statement of foreign operations	(11.93)	384.48	357.44
Income tax on above items	-	-	(10.41)
Balance as at the end of the year	**760.17**	**772.10**	**387.23**
v) General reserve			
Balance as at the beginning of the year	1,727.39	1,709.11	1,668.19
Options forfeited, transferred from share options outstanding account	32.84	28.10	62.89
Income tax on above items	(8.88)	(9.82)	(21.97)
Balance as at the end of the year	**1,751.35**	**1,727.39**	**1,709.11**
vi) Retained earnings			
Balance as at the beginning of the year	13,689.54	13,381.85	12,477.05
Profit for the year attributable to the owners	3,921.47	836.07	1,892.97
IND AS 116 transition adjustment (refer Annexure VI)	-	57.84	-
Remeasurement of post-employment benefit obligations (net of taxes) attributable to the owners	9.51	(41.16)	(7.05)
Dividend (including dividend distribution tax) (refer note below)	(180.85)	(545.06)	(981.12)
Balance as at the end of the year	**17,439.67**	**13,689.54**	**13,381.85**
Total	**20,921.70**	**17,311.02**	**16,484.09**

Note 17 : Other equity (continued)

The following dividends were declared and paid by the Holding company during the year:

Rs. in million

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Interim dividend on equity Shares (March 31, 2021: Nil, March 31, 2020: Rs. 1.50 per share, March 31, 2019: Rs. 2.50 per share)	-	271.28	452.13
Dividend distribution tax on above	-	55.76	92.94
Final dividend* on equity shares (March 31, 2021: Rs. 1.00 per share, March 31, 2020: Rs. 1.00 per share, March 31, 2019: Rs. 2.00 per share)	180.85	180.85	361.70
Dividend distribution tax on above	-	37.17	74.35
Total	**180.85**	**545.06**	**981.12**

* Final dividend paid during the period ended March 31, 2021, March 31, 2020 and March 31, 2019 is related to dividend proposed for the year ended March 31, 2020, March 31, 2019 and March 31, 2018.

Note: After the reporting dates the following dividend were proposed by the directors subject to approval at the annual general meeting; the dividends have not been recognised as liabilities.

Rs. in million

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
By Holding company			
Final dividend on equity shares - March 31, 2021: Rs. 1 per equity share (March 31, 2020: Rs. 1 per equity share, March 31, 2019: Rs. 1 per equity share)	180.85	180.85	180.85
By Zuventus Healthcare Limited			
Final dividend on equity shares - March 31, 2021: Rs 5 per equity share (March 31, 2020: Nil per equity share, March 31, 2019: Rs. 9 per equity share)	100.28	-	180.50
Total	**281.13**	**180.85**	**361.35**

Nature and purpose of other reserves

Capital reserve
Capital reserve was created on account of amalgamation of companies prior to 2001.

Securities premium
Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Share options outstanding account
The Parent has established equity-settled share-based payment plans for certain categories of employees of the Group. Refer note 50 for further details of these plans.

Foreign currency translation reserve
Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

General reserve
The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

Rs. in million

Note 18 **Non current borrowings**	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Secured			
Term loans:			
Indian currency loans from banks	2,407.78	3,813.68	4,722.36
Indian currency loans from others	3,573.96	1,304.28	1,610.06
Foreign currency loans from banks	4,665.46	3,824.63	4,072.65
Vehicle loans	36.84	45.17	62.07
	10,684.04	8,987.76	10,467.14
Unsecured			
Indian currency loans from others	102.60	119.42	139.90
Less: Current maturities of non current borrowing (refer note 24)	(3,519.76)	(3,434.74)	(3,598.12)
Less: Current maturities of vehicle loan and others (refer note 24)	(15.39)	(16.76)	(22.96)
Less: Transaction cost attributable to the borrowings	(211.79)	(122.70)	(107.18)
Total	**7,039.70**	**5,532.98**	**6,878.78**

Note: Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in Note 41.

a) Statement of principal terms of secured term loans outstanding as on March 31, 2021

Nature of facility	**Repayment terms**	**Rate of interest % (per annum)**	**Currency**	**Amount outstanding (Rs. in million)**	**Security**
Term Loan	48 monthly installments from March 2017. **	1 Y MCLR + 3.25%	INR	24.45	As per Note No. 1
Term Loan	48 monthly installments from July 2017. **	1 Y MCLR + 3.25%	INR	180.44	As per Note No. 1
Term Loan	48 monthly installments from March 2019. **	1 year Libor + 3.44%	USD	570.68	As per Note No. 1
Term Loan	48 monthly installments from March 2019. **	1 Y MCLR + 2.95%	INR	16.54	As per Note No. 1
Term Loan	48 monthly installments from January 2020 **	1 Y MCLR + 3.70%	INR	254.58	As per Note No. 1
Term Loan	16 quarterly installments from January 2021	1 year MCLR+1.85%	INR	468.75	As per Note No. 1
Term Loan	48 monthly installments from February 2018	1 year MCLR+1.60%	INR	104.16	As per Note No. 1
Term Loan	48 monthly installments from February 2018	1 year MCLR+1.60%	INR	104.16	As per Note No. 1
Term Loan	12 equal half yearly installments from September 2020	6M Libor+ 3.50%	USD	402.11	As per Note No. 1
Term Loan	12 equal half yearly installments from April 2021	6M Libor+ 3.50%	USD	2,485.74	As per Note No. 2
Term Loan	16 equal quarterly installments from May 2018 **	6M Libor+ 3.25%	USD	137.08	As per Note No. 1
Term Loan	16 equal quarterly installments from April 2018 **	LTMR+75 bps	INR	531.25	As per Note No. 1
Term Loan	16 equal quarterly installments from April 2020 **	LTMR+75 bps	INR	568.45	As per Note No. 1
Term Loan	28 quarterly ballooning installments from April 2019	LTRR-7.00%	INR	692.73	As per Note No. 6
Term Loan	15 equal quarterly installments from July 2018	LTRR-6.90%	INR	160.00	As per Note No. 6
Term Loan	14 equal quarterly installments from October 2018	LTRR-6.90%	INR	114.29	As per Note No. 6
Term Loan	2 Equal Monthly Installment Post Completion of Original Term Loans Tenure	LTRR-6.90%/ 7.00%	INR	109.10	As per Note No. 6
Term Loan	60 monthly installments from August 2019.	LTLR - 8.25%	INR	315.00	As per Note No. 4
Term Loan	60 monthly installments from December 2019.	LTLR - 8.25%	INR	167.50	As per Note No. 1
Term Loan	2 Equal Monthly Installment Post Completion of Original Term Loans Tenure	LTLR - 8.25%	INR	15.34	As per Note No. 1 & 4
Term Loan	60 monthly installments from April 2021.	LTLR - 10.00%	INR	800.00	As per Note No. 7
Term Loan	60 monthly installments from April 2021.	LTLR - 10.00%	INR	200.00	As per Note No. 1
Term Loan	48 monthly installments from August 2021	3M MCLR + 0.35%	INR	155.00	As per Note No. 5
Term Loan	20 Equal Quarterly Installments from May 2021	1 Year MCLR + 2.05%	INR	1,000.00	As per Note No. 1
Term Loan	2 quarterly installment of C$ 840 thousand from May 2017 to August 2017. 4 quarterly installment of C$ 1050 thousand from November 2017 to August 2018 4 quarterly installment of C$ 1570 thousand from November 2018 to August 2019 4 quarterly installment of C$ 2100 thousand from November 2019 to November 2020** 7 quarterly installment of C$ 2378 thousand from February 2021 to November 2022 1 quarterly installment of C$ 2100 payable in February 2023. 1 quarterly installment of C$ 2710 payable in May 2023.	CDOR+310 bps	CAD	1,069.85	As per Note No. 8
Vehicle Loan	Monthly installments starting from Aug 2014 and ending on Feb 2024	7.50% to 9.39%	INR	35.78	As per Note No. 3
Vehicle Loan	Monthly installments starting from Aug 2014 and ending on Feb 2024	7.87% to 8.36%	INR	1.06	As per Note No. 3
				10,684.04	

** Repayment Terms are further elongated by 6 Months on account of availment of Moratorium based on RBI Guidelines vide no. RBI/2019-20/186.

Note 18 : Non current borrowing (continued)

b) Statement of principal terms of unsecured term loan outstanding as on March 31, 2021

Nature of facility	Repayment terms	Rate of interest % (per annum)	Currency	Amount outstanding (Rs. in million)	Security
Loan under New Millennium Indian Technology Leadership Initiative	10 Yearly installments starting from August 1, 2017	3%	INR	102.60	Unsecured
				102.60	

Note No. 1: The following security has been created for the above mentioned facilities:
1. First pari passu (registered mortgage) charge over the immovable fixed assets situated at
a) Plot No. P-2, Rajiv Gandhi Infotech Park, MIDC, Phase-II, Hinjewadi, Pune – 411 057
b) Plot No. D-24, MIDC, Kurkumbh Industrial Area, Daund, Pune – 413 802
c) Plot No. D-24/1, MIDC, Kurkumbh Industrial Area, Daund, Pune - 413 802

2. First pari passu (hypothecation) charge over the all movable fixed assets situated at:
a) Plot No. P-1, Rajiv Gandhi Infotech Park, MIDC, Phase-II, Hinjewadi, Pune – 411 057
b) Plot No. P-2, Rajiv Gandhi Infotech Park, MIDC, Phase-II, Hinjewadi, Pune – 411 057
c) Plot No. D-24, MIDC, Kurkumbh Industrial Area, Daund, Pune – 413 802
d) Plot No. D-24/1, MIDC, Kurkumbh Industrial Area, Daund, Pune - 413 802

3. First pari passu charge on intangible assets (ANDAs and DMFs and acquired brands out of loans proceeds) of the holding company.

4. Second pari passu (hypothecation) charge on current assets of the holding company.

Note No. 2: The following security has been created for the above mentioned facility:
Exclusive first charge on:
a) Immovable and movable fixed assets situated at Plot No. SM-14, Sanand Industrial Estate, Gujarat
b) Immovable and movable fixed assets situated at Plot No. SM-15 & 16/1, Sanand Industrial Estate, Gujarat

Note No. 3: The following security has been created for the above mentioned facility:
Secured by Vehicle for which loan is availed.

Note No. 4: The following security has been created for the above mentioned facility
Exclusive first charge on:
a) Immovable fixed assets situated at Plot No. P-1, Rajiv Gandhi Infotech Park, MIDC, Phase-II, Hinjewadi, Pune – 411 057

Note No. 5: The following security has been created for the above mentioned facility:
1. Exclusive Charge on all present and future Immovable & Movable Fixed Assets situated at New Survey No. 485, Kadu, Lakhtar, Surendranager

Note No. 6: The following security has been created for the above mentioned facility:
1. Exclusive Charge on all present and future Immovable & Movable Fixed Assets situated at Rango Plant, Sikkim owned by Zuventus Healthcare Limited
2. Corporate Guarantee of Zuventus Healthcare Limited

Note No. 7: The following security has been created for the above mentioned facility:
1. S. No. 255, Hissa No. 2, Village Hinjewadi, Taluka Mulshi, Pune 411057
2. Plot No. T-184, MIDC, Bhosari, Pune 411026
3. Block No. F-II, Plot No 12/2 & 12/1, Pimpri Industrial Area, Pune 411018.

Note No. 7: The following security has been created for the above mentioned facility:
Secured by Vehicle for which loan is availed.

Note No. 8: The following security has been created for the above mentioned facility:
1. All fixed assets, current assets and intangibles assets of Marcan Pharmaceuticals Inc.,
2. Pledge of Entire Equity Shares of Marcan Pharmaceuticals Inc. held by Emcure Pharmaceuticals Limited (holding company)
3. Corporate Guarantee of Emcure Pharmaceuticals Limited (holding company).

Note 18 : Non current borrowing (continued)

c) Statement of principal terms of secured term loans outstanding as on March 31, 2020

Nature of facility	Repayment terms	Rate of interest % (per annum)	Currency	Amount outstanding (Rs. in million)	Security
Term Loan	48 monthly installments from March 2017.	1 Y MCLR + 2.30%	INR	57.81	As per Note No. 1
Term Loan	48 monthly installments from August 2016.	1 Y MCLR + 2.30%	INR	59.85	As per Note No. 1
Term Loan	48 monthly installments from February 2020.	1 Y MCLR + 2.75%	INR	310.49	As per Note No. 1
Term Loan	48 monthly installments from July 2017.	1 Y MCLR + 2.30%	INR	313.20	
Term Loan	48 monthly installments from March 2019.	1 year Libor+ 3.05%	USD	642.44	As per Note No. 1
Term Loan	48 monthly installments from March 2019.	1 Y MCLR + 2.00%	INR	156.83	
Term Loan	47 equal monthly installments of Rs.4.6 millions starting from February 1, 2018, and 1 installment of Rs. 3.8 millions from January 1, 2022	MCLR + 1.15%	INR	59.46	As per Note No. 4
Term Loan	48 monthly installments from September 2016.	1 year MCLR+1.60%	INR	63.74	As per Note No. 1
Term Loan	17 quarterly installments from October 2016	1 year MCLR+1.60%	INR	151.27	As per Note No. 1
Term Loan	24 quarterly installments from December 2021	1 year MCLR+1.85%	INR	294.51	As per Note No. 2
Term Loan	48 monthly installments from February 2018	1 year MCLR+1.60%	INR	241.63	As per Note No. 1
Term Loan	48 monthly installments from February 2018	1 year MCLR+1.60%	INR	241.63	As per Note No. 1
Term Loan	16 quarterly installments of 0.4375 Mn from July 2020	3M Libor+4.00%	USD	529.62	As per Note No. 5
Term Loan	16 quarterly installments of 0.94 Mn	3M Libor+4.00%	USD	638.38	As per Note No. 5
Term Loan	48 monthly installments from June 2018	1 year MCLR+1.00%	INR	8.16	As per Note No. 1
Term Loan	12 half yearly installments starting from Sept 2020	6M Libor+3.50%	USD	453.96	As per Note No. 1
Term Loan	16 equal quarterly installments from July 2016	1 year MCLR+1.80%	INR	17.90	As per Note No. 1
Term Loan	2 quarterly installment of C$ 840 thousand from May 2017 to August 2017. 4 quarterly installment of C$ 1050 thousand from November 2017 to August 2018 4 quarterly installment of C$ 1570 thousand from November 2018 to August 2019 4 quarterly installment of C$ 2100 thousand from November 2019 to August 2020 8 quarterly installment of C$ 2310 thousand from November 2020 to August 2022 1 quarterly installment of C$ 2940 payable in November 2022.	CDOR+300 bps	CAD	1,371.08	As per Note No. 6
Term Loan	16 equal quarterly installments from May 2018	6M Libor+ 3.50%	USD	189.15	As per Note No. 1
Term Loan	16 equal quarterly installments from April 2018	LTMR+100 bps	INR	637.50	As per Note No. 1
Term Loan	16 equal quarterly installments from April 2019	LTMR+100 bps	INR	649.70	As per Note No. 1
Term Loan	28 quarterly bolloning installment from April 2019	LTRR-7.00%	INR	755.71	As per Note No. 2
Term Loan	15 equal quarterly installments from July 2018	LTRR-6.90%	INR	320.00	As per Note No. 2
Term Loan	14 equal quarterly installments from October 2018	LTRR-6.90%	INR	228.57	As per Note No. 2
Term Loan	60 monthly bolloning installment from August 2019	LTRR-8.25%	INR	360.00	As per Note No. 3
Term Loan	60 monthly bolloning installment from December 2019	LTRR-8.25%	INR	190.00	As per Note No. 1
Vehicle loans	Monthly installments starting from Aug 2014 and ending on Feb 2024	8.50% to 10.50%	INR	42.91	As per Note No. 7
Vehicle loans	Monthly installments starting from October 2017 and ending on March 2021	7.87% to 8.36%	INR	2.26	As per Note No. 7
				8,987.76	

d) Statement of principal terms of unsecured term loan outstanding as on March 31, 2020

Nature of facility	Repayment terms	Rate of interest % (per annum)	Currency	Amount outstanding (Rs. in million)	Security
Loan under New Millennium Indian Technology Leadership Initiative	10 Yearly installments starting from August 1, 2017	3%	INR	119.42	Unsecured
				119.42	

Note 18 : Non current borrowing (continued)

Note No. 1: The following security has been created for the above mentioned facility:

1. First pari passu (registered mortgage) charge over the immovable fixed assets situated at
a) Plot No. P-2, Rajiv Gandhi Infotech Park, MIDC, Phase-II, Hinjewadi, Pune – 411 057
b) Plot No. D-24, MIDC, Kurkumbh Industrial Area, Daund, Pune – 413 802
c) Plot No. D-24/1, MIDC, Kurkumbh Industrial Area, Daund, Pune - 413 802

2. First pari passu (hypothecation) charge over the all movable fixed assets situated at:
a) Plot No. P-1, Rajiv Gandhi Infotech Park, MIDC, Phase-II, Hinjewadi, Pune – 411 057
b) Plot No. P-2, Rajiv Gandhi Infotech Park, MIDC, Phase-II, Hinjewadi, Pune – 411 057
c) Plot No. D-24, MIDC, Kurkumbh Industrial Area, Daund, Pune – 413 802
d) Plot No. D-24/1, MIDC, Kurkumbh Industrial Area, Daund, Pune - 413 802

3. First pari passu charge on intangible assets (ANDAs and DMFs and acquired brands out of loans proceeds) of the holding company.

4. Second pari passu (hypothecation) charge on current assets of the holding company.

Note No. 2: The following security has been created for the above mentioned facility:
Exclusive first charge on:
a) Immovable and movable fixed assets situated at Plot No. SM-14, Sanand Industrial Estate, Gujarat
b) Immovable and movable fixed assets situated at Plot No. SM-15 & 16/1, Sanand Industrial Estate, Gujarat
c) Movable fixed assets situated at Arihant School, of Pharmacy & Bio Research Institute, Adalaj, SG Highway, Dist.: Gandhinagar, Gujarat

Note No. 3: The following security has been created for the above mentioned facility
Exclusive first charge on:
a) Immovable fixed assets situated at Plot No. P-1, Rajiv Gandhi Infotech Park, MIDC, Phase-II, Hinjewadi, Pune – 411 057

Note No. 4: The following security has been created for the above mentioned facility:
1. Pari passu charge over the fixed and movable assets
2. Corporate guarantee of Emcure Pharmaceuticals Ltd (Holding Company)

Note No. 5: The following security has been created for the above mentioned facility:
1. First charge on immovable, movable fixed assets, Intangible assets and all current assets of "Heritage Pharma Holdings Inc." and "Heritage Pharmaceuticals' Inc. USA" and Heritage
2. Pledge of Entire Equity Shares of "Heritage Pharma Holdings Inc. USA" and "Heritage Pharmaceuticals Inc. USA" held by Emcure Pharmaceutical Limited (holding company).

3. Corporate Guarantee of Emcure Pharmaceuticals Limited (holding company).

Note No. 6: The following security has been created for the above mentioned facility:
1. All fixed assets, current assets and intangibles assets of Marcan Pharmaceuticals Inc.,
2. Pledge of Entire Equity Shares of Marcan Pharmaceuticals Inc. held by Emcure Pharmaceuticals Limited (holding company)
3. Corporate Guarantee of Emcure Pharmaceuticals Limited (holding company).

Note No. 7: The following security has been created for the above mentioned facility:
a) Secured by Vehicle for which loan is availed.

Note 18 : Non current borrowing (continued)

e) Statement of principal terms of secured term loans outstanding as on March 31, 2019

Nature of facility	Repayment terms	Rate of interest % (per annum)	Currency	Amount outstanding (Rs. in million)	Security
Term Loan	48 monthly installments from March 2017.	1 Y MCLR + 1.80%	INR	119.77	As per Note No. 1
Term Loan	48 monthly installments from August 2016.	1 Y MCLR + 1.80%	INR	247.60	As per Note No. 1
Term Loan	48 monthly installments from July 2017.	1 Y MCLR + 1.80%	INR	561.10	As per Note No. 1
Term Loan	48 monthly installments from March 2019.	1 Y Libor + 2.93%	USD	612.32	As per Note No. 1
Term Loan	48 monthly installments from March 2019.	1 Y MCLR + 1.50%	INR	385.39	As per Note No. 1
Term Loan	47 equal monthly installments of Rs.4.6 million starting from February 1, 2018, and 1 installment of Rs. 3.8 million from January 1, 2022	MCLR + 1.15%	INR	114.14	As per Note No. 2
Term Loan	48 monthly installments from September 2016.	1 year MCLR+1.60%	INR	177.60	As per Note No. 1
Term Loan	17 quarterly installments from October 2016	1 year MCLR+1.60%	INR	350.00	As per Note No. 1
Term Loan	48 monthly installments from February 2018	1 year MCLR+1.60%	INR	354.18	As per Note No. 1
Term Loan	48 monthly installments from February 2018	1 year MCLR+1.60%	INR	354.18	As per Note No. 1
Term Loan *	US$ 3Mn in March 2017, US$ 5Mn per quarter from June 17 to March 2018, US$ 5.50Mn per quarter from June 18 to September 2019, US$ 3 Mn in December 2019 and US$ 1 Mn in March 2020	3M Libor+4.00%	USD	281.48	As per Note No. 4
Term Loan *	16 quarterly installments of 0.94 Mn	3M Libor+4.00%	USD	857.81	As per Note No. 4
Term Loan	48 monthly installments from June 2018	1 year MCLR+1.00%	INR	53.06	As per Note No. 1
Term Loan	16 equal quarterly installments from March 2016	6M Libor+2.87%	USD	105.56	As per Note No. 1
Term Loan	16 equal quarterly installments from July 2016	1 year MCLR+1.80%	INR	88.67	As per Note No. 1
Term Loan	48 equal monthly instalments of Rs. 14.6 million starting from August, 2017.	12M MCLR + 1.20%	INR	412.50	As per Note No. 5
Term Loan	48 equal monthly instalments of Rs. 4.17 million starting from September, 2018.	12M MCLR + 1.20%	INR	166.67	As per Note No. 5
Term Loan*	2 quarterly installment of C$ 840 thousand from May 2017 to August 2017. 4 quarterly installment of C$ 1050 thousand from November 2017 to August 2018 4 quarterly installment of C$ 1570 thousand from November 2018 to August 2019 4 quarterly installment of C$ 2100 thousand from November 2019 to August 2020 8 quarterly installment of C$ 2310 thousand from November 2020 to August 2022 1 quarterly installment of C$ 2940 payable in November 2022.	CDOR+335 bps	CAD	1,740.49	As per Note No. 6
Term Loan	16 equal quarterly installments from August 2016+C256	6M Libor+ 3.35%	USD	211.11	As per Note No. 1
Term Loan	16 equal quarterly installments from May 2018	6M Libor+ 3.00%	USD	263.89	As per Note No. 1
Term Loan	16 equal quarterly installments from April 2018	LTMR+50 bps	INR	850.00	As per Note No. 1
Term Loan	16 equal quarterly installments from April 2020	LTMR+50 bps	INR	487.50	As per Note No. 1
Term Loan	28 quarterly ballooning installment from April 2019	LTRR-7.00%	INR	787.20	As per Note No. 3
Term Loan	15 equal quarterly installments from July 2018	1 year MCLR+1.25%	INR	480.00	As per Note No. 3
Term Loan	14 equal quarterly installments from October 2018	1 year MCLR+1.25%	INR	342.86	As per Note No. 3
Vehicle loans	Monthly installments starting from Aug 2014 and ending on Feb 2024	8.50% to 10.50%	INR	48.34	As per Note No. 7
Vehicle loans	Monthly installments starting from October 2017 and ending on March 2021	7.87% to 8.36%	INR	3.36	As per Note No. 7
Vehicle loans	Monthly installments starting from June 2016 to Oct 2021	8.50% -9.50%	INR	10.36	As per Note No. 7
				10,467.14	

* The Management periodically reviews compliance with terms and conditions of existing loan agreements to identify any non-adherence of any financial covenant and obtains confirmations from the respective lenders on existing terms and conditions basis which borrowings are disclosed as current and non-current at each reporting date. Pursuant to such review as at the year end, the management has obtained confirmation from its lenders on continuance of existing terms, conditions and lending period as stipulated in the original lending agreement.

f) Statement of principal terms of unsecured term loan outstanding as on March 31, 2019

Nature of facility	Repayment terms	Rate of interest % (per annum)	Currency	Amount outstanding (Rs. in million)	Security
Loan under New Millennium Indian Technology Leadership Initiative	10 Yearly installments starting from August 1, 2017	3%	INR	139.90	Unsecured
				139.90	

Note 18 : Non current borrowing (continued)

Note No. 1: The following security has been created for the above mentioned facility:

1. First pari passu (registered mortgage) charge over the immovable fixed assets situated at
a) Plot No. P-2, Rajiv Gandhi Infotech Park, MIDC, Phase-II, Hinjewadi, Pune – 411 057
b) Plot No. D-24, MIDC, Kurkumbh Industrial Area, Daund, Pune – 413 802
c) Plot No. D-24/1, MIDC, Kurkumbh Industrial Area, Daund, Pune - 413 802

2. First pari passu (hypothecation) charge over the all movable fixed assets situated at:
a) Plot No. P-1, Rajiv Gandhi Infotech Park, MIDC, Phase-II, Hinjewadi, Pune – 411 057
b) Plot No. P-2, Rajiv Gandhi Infotech Park, MIDC, Phase-II, Hinjewadi, Pune – 411 057
c) Plot No. D-24, MIDC, Kurkumbh Industrial Area, Daund, Pune – 413 802
d) Plot No. D-24/1, MIDC, Kurkumbh Industrial Area, Daund, Pune - 413 802

3. First pari passu charge on intangible assets (ANDAs and DMFs and acquired brands out of loans proceeds) of the holding company.

4. Second pari passu (hypothecation) charge on current assets of the holding company.

Note No. 2: The following security has been created for the above mentioned facility:

1. Pari passu charge over the fixed and movable assets
2. Corporate guarantee of Emcure Pharmaceuticals Ltd (Holding Company)

Note No. 3: The following security has been created for the above mentioned facility:
Exclusive first charge on:
a) Immovable and movable fixed assets situated at Plot No. SM-14, Sanand Industrial Estate, Gujarat
b) Immovable and movable fixed assets situated at Plot No. SM-15 & 16/1, Sanand Industrial Estate, Gujarat
c) Movable fixed assets situated at Arihant School, of Pharmacy & Bio Research Institute, Adalaj, SG Highway, Dist.: Gandhinagar, Gujarat

Note No. 4: The following security has been created for the above mentioned facility:

1. First charge on immovable, movable fixed assets, Intangible assets and all current assets of "Heritage Pharma Holdings Inc." and "Heritage Pharmaceuticals' Inc. USA" and Heritage Pharma Labs Inc.
2. Pledge of Entire Equity Shares of "Heritage Pharma Holdings Inc. USA" and "Heritage Pharmaceuticals Inc. USA" held by Emcure Pharmaceutical Limited (holding company).

3. Corporate Guarantee of Emcure Pharmaceuticals Limited (holding company).

Note No. 5: The following security has been created for the above mentioned facility:

1. Exclusive charge over the immovable and movable fixed assets situated at, Block Kamerey, Elaka Pakyong, Post office Rangpo, Police Station-Roarathang, Dist.-Gangtok, Sikkim-737132.

2. Exclusive second charge on the current assets of the Zuventus Healthcare Limited .

Note No. 6: The following security has been created for the above mentioned facility:

1. All fixed assets, current assets and intangibles assets of Marcan Pharmaceuticals Inc.,
2. Pledge of Entire Equity Shares of Marcan Pharmaceuticals Inc. held by Emcure Pharmaceuticals Limited (holding company)
3. Corporate Guarantee of Emcure Pharmaceuticals Limited (holding company).

Note No. 7: The following security has been created for the above mentioned facility:
Secured by Vehicle for which loan is availed.

Rs. in million

Note 19 **Other non-current financial liabilities**	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Trade deposits (refer note below)	122.97	121.10	123.82
Consideration payable (including contingent consideration) towards acquisition of subsidiary (refer note 62)	-	2,425.47	3,152.77
Interest accrued but not due on borrowing	-	4.27	10.97
Payables for capital asset	584.84	605.28	566.97
Other liabilities	5.29	4.02	1.67
Total	**713.10**	**3,160.14**	**3,856.20**

Note : Includes deposit from firm in which directors of the Holding Company are interested - Rs. 10.00 million (March 31, 2020 - Rs. 10.00 million, March 31, 2019 - Rs. 10.00 million).

Rs. in million

Note 20 **Non-current provisions**	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Provision for employee benefits			
Provision for compensated absences	337.67	296.99	305.77
Other provision			
Provision for sales return and breakage expiry (refer note 25)	321.67	287.99	255.38
Total	**659.34**	**584.98**	**561.15**

Rs. in million

Note 21 **Other non-current liabilities**	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Deferred government grant (refer note 45B and 61)	125.49	6.37	9.00
Deferred revenue (refer note 53D)	207.56	-	-
Other liabilities	-	-	-
Total	**333.05**	**6.37**	**9.00**

Rs. in million

Note 22 **Current borrowings**	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Secured			
Working capital loans from banks	4,293.71	5,335.84	3,552.96
Cash credit facilities / bank overdraft repayable on demand from banks	8,187.88	7,378.51	7,324.11
Less: Transaction cost attributable to the borrowings	(15.31)	(2.61)	(8.67)
Unsecured			
Other cash credit facilities from banks	60.46	-	-
Total	**12,526.74**	**12,711.74**	**10,868.40**

Note:

a) Working capital loans from banks are secured by hypothecation of inventories, book debts and receivables, in addition, Working capital loans of few subsidiaries are also secured by corporate guarantee of parent company (refer note 54).

b) The cash credit facilities / bank overdraft facilities are repayable on demand and working capital loans are repayable within a year with a range of interest of LIBOR+150 bps to LIBOR+350 bps for foreign currency loans in USD, GBP Libor+250 bps for foreign currency loans in GBP, 2.90 % for foreign currency loans in Canada, EIBOR+2.47% in Dubai, MCLR+0.75% to MCLR+1.75% and for Rupee loans 7.90% p.a. to 10.15% p.a. (previous year : LIBOR+156 bps to LIBOR+446 bps for foreign currency loans in USD, GBP Libor+250 bps for foreign currency loans in GBP, Prime Rate+0.35% for foreign currency loans in Canada, 3% lower than base rate in Dubai, MCLR+1.25% p.a. and for Rupee loans 8.45% p.a. to 10.45% p.a.).

c) Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in Note 41.

Rs. in million

Note 23 **Trade payables**	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Total outstanding dues of micro and small enterprises (refer note 59)	-	0.62	6.58
Total outstanding dues of creditors other than micro and small enterprises	9,721.94	7,406.01	6,846.43
Total	**9,721.94**	**7,406.63**	**6,853.01**

Note :

1. The Group's exposure to currency and liquidity risks related to trade payables is disclosed in Note 41.
2. All trade payables are current.

Rs. in million

Note 24 **Other financial liabilities**	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Current maturities of non current borrowing (refer note 18)	3,535.15	3,451.50	3,535.68
Interest accrued but not due on borrowings	103.57	75.19	27.09
Interest accrued and due on borrowings	-	32.24	4.94
Interest accrued and due on trade deposits (refer note (b) below)	1.71	1.67	1.70
Consideration payable (including contingent consideration) towards acquisition of subsidiary (refer note 62)	2,750.78	1,065.49	-
Employee benefits payable	1,627.96	1,573.45	1,443.33
Other payables	23.88	17.69	17.50
Payables for capital asset	334.27	187.18	376.63
Accrual pertaining to settlement of litigation (refer note 44 - DOJ Litigation)	-	-	522.50
Total	**8,377.32**	**6,404.41**	**5,929.37**

Notes :

a) The Group's exposure to currency and liquidity risks related to the above financial liabilities is disclosed in note 41.

b) Includes Interest accrued and due on deposit from a firm in which directors of the Holding Company are interested : Rs. 0.17 million (March 31, 2020: Rs. 0.17 million, March 31, 2019: Rs. 0.17 million).

Rs. in million

Note 25 **Current provisions**	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Provision for employee benefits			
Provision for compensated absences	174.95	161.22	139.11
Provision for gratuity (refer note 49)	148.02	151.52	132.25
Provision for stock appreciation rights (refer note 51)	91.23	106.52	108.23
Provision for sales returns and breakage expiry (refer note below)	1,072.76	946.73	729.29
Other provisions	10.60	23.94	15.14
Total	**1,497.56**	**1,389.93**	**1,124.02**

i) Information about individual provisions and significant estimates

Sales returns and breakage expiry

When a customer has a right to return the product within a given period, the Group recognises a provision for returns. The provision is measured equal to the value of the sales expected to return in the future period. Revenue is adjusted for the expected value of the returns and cost of sales are adjusted for the value of the corresponding goods to be returned.

The Group has a constructive obligation to replace the goods which will expire. The Group has recognised a provision for the returns due to expiry. The provision is measured on the basis of historical trend of expiry against the sales occurred in the current and earlier period. Management considers the sales value for the periods which are equivalent to average general shelf life of products. Revenue is adjusted for the expected value of the returns.

Significant estimates

The Group has constructive obligation to accept the returns and expired products after sales to customers. Management estimates the related provision for future expected returns based on historical information as well as recent trends and change in business conditions that might suggest that past information may differ from future claims. The assumptions made in relation to the current period are consistent with those in the prior years. Factors that could impact the estimated return include pattern of return and success of new products launched, Group's marketing initiatives, shelf life of products. Where expected value of returns and expiry changes by 5% from management's estimates, the return provisions would be an estimated Rs 69.72 million higher or lower (March 31, 2020 : Rs 61.74 million higher or lower, March 31, 2019 : Rs. 49.23 million higher or lower).

ii) Movements in provisions for sales return and breakage expiry

Particulars	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Beginning of the year	1,234.72	984.67	836.70
Provisions made during the year	1,938.40	1,678.03	1,671.63
Effect for unwinding of discounts	38.32	26.59	-
Provisions utilised during the year	(1,811.96)	(1,470.37)	(1,537.49)
Change due to translation of provision of foreign operation	(5.05)	15.80	13.83
At the end of the year	**1,394.43**	**1,234.72**	**984.67**

Rs. in million

Note 26 **Income tax assets / liabilities (net)**	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Income tax assets (net of provisions)	1,665.62	1,551.60	449.24
Income tax liabilities (net of advance tax)	(616.91)	(543.30)	(177.68)
Net	**(1,048.71)**	**(1,008.30)**	**(271.56)**

Rs. in million

Note 27 **Other current liabilities**	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Statutory dues including provident fund and withholding taxes	559.62	211.31	266.65
Contract liabilities (advances from customers)	121.31	50.36	99.07
Deferred government grant (refer note 61)	245.76	-	9.00
Other liabilities	90.18	183.47	91.70
Total	**1,016.87**	**445.14**	**466.42**

Rs. in million

Note 28 **Revenue from operations**	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Revenue from contracts with customers			
Sale of products	59,418.37	49,721.55	46,578.49
Sale of services	648.82	326.79	114.11
Other operating revenues			
Scrap sales	48.32	35.03	54.23
Income from Government Grants:			
Export incentives	216.02	342.17	360.54
GST refund received (refer note 65)	33.00	48.74	45.23
Income arising from other government grant (refer note 61)	199.62	11.26	19.23
Total	**60,564.15**	**50,485.54**	**47,171.83**

Rs. in million

Note 29 **Other income**	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Interest income under the effective interest method from banks and others	73.53	21.86	25.22
Profit on sale of property, plant & equipment	4.23	-	24.36
Gains on foreign exchange fluctuation (net)	147.92	464.30	309.08
Stock appreciation rights liability written back (refer note 51)	-	-	244.24
Miscellaneous income	128.23	336.90	368.20
Provision for Doubtful Debts written back	-	-	12.97
Total	**353.91**	**823.06**	**984.07**

Rs. in million

Note 30 **Cost of material consumed**	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
A: Raw material consumed			
Opening inventory	3,370.56	2,918.48	2,299.01
Add : Purchases (net)	13,314.77	8,112.09	7,318.03
	16,685.33	11,030.57	9,617.04
Less: Closing inventory	(4,022.91)	(3,370.56)	(2,918.48)
Cost of raw materials consumed during the year	12,662.42	7,660.01	6,698.56
B: Packing material consumed			
Opening inventory	531.56	565.53	531.65
Add : Purchases (net)	1,820.16	1,308.24	1,147.40
	2,351.72	1,873.77	1,679.05
Less: Closing inventory	(647.83)	(531.56)	(565.53)
Cost of packing materials consumed during the year	1,703.89	1,342.21	1,113.52
Total (A+B)	**14,366.31**	**9,002.22**	**7,812.08**

Rs. in million

Note 31 **Changes in inventory of finished goods, work in progress and stock-in-trade**	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Opening inventory			
Work-in-process	692.78	1,113.26	763.83
Finished goods	1,479.48	1,429.28	1,378.84
Stock-in-trade	5,393.05	5,041.87	4,119.96
	7,565.31	7,584.41	6,262.63
Less: Closing inventory			
Work-in-process	1,541.04	692.78	1,113.26
Finished goods	2,041.93	1,479.48	1,429.28
Stock-in-trade	6,508.60	5,393.05	5,041.87
	10,091.57	7,565.31	7,584.41
Changes in inventory of finished goods, work in progress and stock-in-trade	**(2,526.26)**	**19.10**	**(1,321.78)**

Rs. in million

Note 32 **Employee benefit expenses**	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Salaries, wages and bonus	9,668.49	9,670.28	8,840.33
Contribution to provident and other funds (refer note 49)	684.20	663.06	576.39
Gratuity (refer note 49)	158.01	117.54	108.80
Employee share-based payment expenses (refer note 50)	63.48	144.19	52.87
Staff welfare expenses	447.07	461.13	524.91
Total	**11,021.25**	**11,056.20**	**10,103.30**

Rs. in million

Note 33 **Other expenses**	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Processing charges	576.71	358.63	359.57
Factory consumables	1,340.68	1,216.80	1,632.61
Contractual Services	456.98	390.30	370.39
Power and fuel	1,052.70	1,008.06	944.65
Insurance	209.34	429.78	123.75
Repair and maintenance	537.58	453.56	477.99
Rent	33.49	37.12	66.91
Rates and taxes	203.59	179.28	104.70
Freight	1,022.92	587.49	514.00
Advertisement and promotional materials	1,182.62	1,847.65	1,878.07
Travelling and conveyance	745.80	1,603.26	1,620.58
Commission on sales	546.81	556.16	650.37
Printing and stationery	127.34	229.63	142.33
Legal and professional fees	1,792.56	1,405.05	1,345.03
Payment to auditors (refer note below)	11.44	11.40	14.26
Inventory handling charges	818.44	795.02	489.05
Commission to non-whole time directors	16.40	12.30	15.20
Directors sitting fees	14.47	11.38	15.95
Provision for doubtful debts	259.79	25.82	-
Loss on sale of property, plant and equipment	-	41.57	-
Bad debts written off	25.28	54.33	44.02
Expenditure towards corporate social responsibility (refer note 58)	84.90	69.72	73.28
Impairment of Goodwill (refer note 52)	-	39.83	9.30
Miscellaneous expenses	947.41	730.90	751.49
Total	**12,007.25**	**12,095.04**	**11,643.50**

Rs. in million

Note : Payment to auditors	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
As auditor:			
Audit fees excluding taxes	7.46	7.90	9.00
Other services	3.65	2.51	4.53
Out of pocket expenses	0.33	0.99	0.73
Total	**11.44**	**11.40**	**14.26**

Rs. in million

Note 34 **Depreciation and amortisation expenses**	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Depreciation on property, plant and equipment	1,872.89	1,845.31	1,684.91
Depreciation on right-of-use assets	380.72	369.18	342.21
Amortisation of intangible assets	979.49	993.85	970.64
Total	**3,233.10**	**3,208.34**	**2,997.76**

Rs. in million

Note 35 **Finance cost**	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Interest on long-term borrowings measured at amortised cost (refer note 2A & 2B)	966.09	1,114.95	1,080.01
Interest on short-term borrowings measured at amortised cost (refer note 2A & 2B)	426.89	773.59	558.72
Unwinding of discount on deferred consideration	50.02	74.02	68.84
Unwinding of discount on contingent consideration (refer note 62)	108.57	219.55	199.55
Interest on shortfall of advance tax	53.51	35.57	13.90
Interest accrued On lease liability	119.27	122.12	136.99
Other borrowing costs	256.97	158.95	234.90
Exchange differences to the extent regarded as an adjustment to borrowing costs	-	67.22	70.64
Total	**1,981.32**	**2,565.97**	**2,363.55**

Rs. in million

Note 36 **Exceptional items**	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Consultancy fees (see note (i) & (ii) below)	448.99	753.14	711.75
Legal settlement (refer note 44 - DOJ Litigation)	-	-	517.11
Stock appreciation rights liability written back (refer note 51)	-	-	(994.28)
Insurance claim receivable written off (see note (iii) below)	-	281.65	-
Impairment of intangible assets (refer note 4)	436.95	-	-
Total	**885.94**	**1,034.79**	**234.58**

Notes :

(i) The Holding company received a warning letter dated March 3, 2016 in respect of its manufacturing location in Pune. The Company's products are under an ongoing 'import alert' from the Food and Drug Administration of the USA ('US FDA'). Management has taken the necessary corrective actions based on the audit conducted by US FDA with the last response sent on 18th May 2020.

The Company has also engaged external consultants as a part of remediation action for its Hinjewadi plant. Professional fees paid amounting to Rs. 62.99 million (March 31, 2020 - Rs. 361.69 million, March 31, 2019 - Rs. 349.55 million) to external consultant has been classified as an exceptional item.

(ii) Consultancy fees towards Drug pricing litigation amounting to Rs. 386.00 million (March 31, 2020 Rs. 391.45 million, March 31, 2019 Rs. 362.20 million) has been classified as exceptional item.

(iii) During the year ended 31 March 2020, the group without prejudice to its rights and remedies available under law has written off insurance claim receivable amounting to Rs. 281.65 Million on account of significant delays in receipt of the claim from the insurer in relation to the reimbursement of expenditure incurred in the matter pertaining to various litigations in USA.

Rs. in million

Note 37 **Tax expenses recognised in statement of profit and loss**	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Current tax			
Current Period	2,046.32	330.21	2,133.91
Tax related to prior years	(37.40)	(13.66)	(8.33)
Total current tax expense	**2,008.92**	**316.55**	**2,125.58**
Deferred tax			
Originating and reversal of temporary differences	179.03	(25.20)	(877.54)
Change in tax rate	-	(124.00)	12.43
Changes in temporary differences of earlier years	199.38	(120.10)	(63.78)
Total deferred tax	**378.41**	**(269.30)**	**(928.89)**
Total	**2,387.33**	**47.25**	**1,196.69**

Rs. in million

Tax income recognised in OCI	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Remeasurements of post-employment benefit obligations	(6.23)	24.28	4.88
Foreign exchange differences on long term monetary items and currency translation reserve	-	-	(10.41)
Total	**(6.23)**	**24.28**	**(5.53)**

Rs. in million

Tax expense recognised in other equity	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
General reserve	(8.88)	(9.82)	(21.97)
Total	**(8.88)**	**(9.82)**	**(21.97)**

EMCURE PHARMACEUTICALS LIMITED
Annexure V- Notes to the restated consolidated financial statements (continued)

Rs. in million

Note 38 **Deferred tax assets**	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Deferred tax assets :			
Intangible assets	548.26	434.73	323.25
Allowance for doubtful debts - trade receivables	3.75	4.14	2.99
Provision - employee benefit	11.88	11.19	8.69
Property, plant and equipment	-	0.49	58.59
Carry forward of tax losses	370.12	316.85	768.18
Government grant	71.56	-	-
Minimum alternate tax credit entitlement	156.95	287.00	159.53
Stock appreciation rights	20.86	24.19	23.27
Insurance receivable	66.43	68.27	-
Sales return	128.03	162.00	-
Inventories	763.14	732.80	728.46
Others	569.86	526.83	440.93
Lease Liability	41.65	47.99	222.35
Total	2,752.49	2,616.48	2,736.24
Deferred tax liabilities :			
Property, plant and equipment	136.64	217.30	282.64
Intangible assets	0.88	0.26	-
Others	1,090.27	346.31	191.22
Right-of -use assets	41.78	45.00	221.22
Total	1,269.57	608.87	695.08
Deferred tax assets - net	**1,482.92**	**2,007.61**	**2,041.16**

Rs. in million

Note 38 **Deferred tax liabilities**	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Deferred tax liabilities :			
Intangible assets	89.90	166.51	236.93
Property, plant and equipment	565.93	569.59	755.01
Others	34.84	20.42	23.43
Right-of -use assets	214.68	205.80	268.69
Undistributed profits of subsidiary	-	-	101.41
Total	905.35	962.32	1,385.47
Deferred tax assets :			
Carry forward of tax losses	-	72.18	58.99
Allowance for doubtful debts - trade receivables	66.61	50.69	47.10
Provision - Employee benefit	199.47	183.76	193.32
Minimum alternate tax credit entitlement	-	-	141.58
Lease Liability	240.44	215.66	285.22
Others	-	-	1.84
Total	506.52	522.29	728.05
Deferred tax labilities - net	**398.83**	**440.03**	**657.42**

Note: Balances of deferred tax assets and deferred tax liability above, as on the reporting date includes the effects of changes in foreign exchange rates of foreign operations whose functional currency is different than the Group's functional currency, are considered in foreign currency translation reserve and is shown as others in deferred tax movement note 39.

Note 38 : Tax expenses (continued)

Significant estimates

In assessing the realisability of the deferred tax asset balance with respect to Minimum alternate tax (MAT) credit entitlements and carry forward tax losses, management has considered whether partial or all of the MAT credit entitlement and carry forward tax losses will not be realised. The ultimate realisation of benefit related to MAT credit and carry forward tax losses is dependent upon the generation of future taxable income greater than book profit as per provisions of Income Tax Act, 1961, before expiry of credit and carry forward period. Management considers the scheduled reversals of deferred tax liabilities, projected future taxable income and tax planning strategy in making this assessment. Based on the level of historical taxable income and projections of future taxable income over the periods in which the MAT credit are deductible as well carry forward losses will be utilised, management believes that the Group will realise the benefit. The amount of deferred tax asset on account of MAT credit and carry forward losses is considered to be realisable, however, could be reduced in the near term if estimates of future taxable income undergo any change as compared to the estimates made by the management as at reporting date. Management has performed the sensitivity analysis on the future expected taxable profits and do not expect any loss of benefit related to these items.

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:	March 31, 2021		March 31, 2020		March 31, 2019	
	%	Amount	%	Amount	%	Amount
Profit before tax expense		6,573.27		1,053.35		3,226.37
		6,573.27		1,053.35		3,226.37
Tax using the Holding Company tax rate of 25.17% (March 31, 2020 — 34.94%, March 31, 2019 - 34.94%) *	**25.17%**	**1,654.49**	**34.94%**	**368.08**	**34.94%**	**1,127.42**
Tax effect of amounts which are not (deductible) / taxable in calculating taxable income:						
Weighted deduction on research and development expenditure	0.00%	-	-15.88%	(167.32)	-7.15%	(230.59)
Non taxable income	0.11%	7.34	0.00%	-	0.00%	-
Non deductible expenses	0.77%	50.34	13.10%	138.00	3.50%	112.82
Change in tax rate	0.00%	-	-11.77%	(124.00)	0.39%	12.43
Additional allowance for tax purpose	-1.11%	(73.07)	-1.05%	(11.04)	-6.99%	(225.41)
One time tax impact due to change in law **	-4.00%	(263.02)	-25.38%	(267.29)	0.00%	-
Difference in tax rates in foreign jurisdictions	1.25%	82.05	30.43%	320.50	13.70%	442.14
Difference in tax rates of Indian Subsidiaries	2.86%	188.07	-2.41%	(25.40)	-0.03%	(0.93)
Creation/(reversal) of deferred tax liability on undistributed profits	0.00%	-	-9.63%	(101.41)	-0.82%	(26.33)
Tax related to prior years	-0.57%	(37.40)	-1.30%	(13.66)	-0.26%	(8.33)
Unrecognised deferred tax assets ***	8.46%	556.39	4.77%	50.23	0.00%	-
Changes in temporary differences of earlier years	3.03%	199.32	-11.40%	(120.10)	-1.98%	(63.78)
Other items	0.35%	22.82	0.06%	0.66	1.77%	57.25
Effective tax rate	**36.32%**	**2,387.33**	**4.48%**	**47.25**	**37.07%**	**1,196.69**

* The Holding Company has elected to exercise the option with regards to the tax rate mentioned under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Holding Company has recognized Provision for Income Tax for the year ended 31 March 2021 basis the rate prescribed in the said section. The impact of this change has been recognized in the statement of Profit & Loss for the year ended 31 March 2021.

** The US Government enacted Coronavirus Aids, Relief and Economic Security Act (CARES Act) on 27-Mar-2020 in response to COVID-19 pandemic. Heritage Pharma Holdings Inc. and its subsidiaries elected to carry back Net Operating Losses (NOLs) of current and preceding financial years to set off against taxable profits of earlier years.

*** The group evaluates its deferred tax assets for realizability based on all positive and negative evidences. Accordingly group has provided for entire valuation allowance amounting to Rs. 555.48 million against deferred tax asset recognised in Heritage Pharma Holding Inc & its subsidiaries, which can not be carried back pursuant to Coronavirus Aids, Relief and Economic Security Act (CARES Act).

Rs. in million

Note 39 Movement of Deferred tax assets / liabilities	Opening balance as at 01 April 2020*	Transferred to P&L	Transferred to OCI	MAT credit utilised /Others	Closing Balance as at March 31, 2021*
Minimum alternate tax credit entitlement	287.00	-	-	(130.05)	156.95
Carry forward of tax losses	389.03	(18.91)	-	-	370.12
Stock appreciation rights	24.19	(3.33)	-	-	20.86
Provision - Employee benefit	194.95	22.63	(6.23)	-	211.35
Inventories	732.80	30.34	-	-	763.14
Insurance receivable	68.27	(1.84)	-	-	66.43
Government grant	-	71.56	-	-	71.56
Sales return	162.00	(33.97)	-	-	128.03
Allowance for doubtful debts - trade receivables	54.83	15.53	-	-	70.36
Others	160.10	(746.55)	-	31.20	(555.25)
Lease Liability	263.65	18.44	-	-	282.09
Property, plant and equipment	(786.40)	83.83	-	-	(702.57)
Intangible assets	267.96	189.52	-	-	457.48
Right-of -use assets	(250.80)	(5.66)	-	-	(256.46)
Total	**1,567.58**	**(378.41)**	**(6.23)**	**(98.85)**	**1,084.09**

Rs. in million

Note 39 Movement of Deferred tax assets / liabilities	Opening balance as at April 1, 2019*	Transferred to P&L	Transferred to OCI	MAT credit utilised /Others	Closing Balance as at March 31, 2020*
Minimum alternate tax credit entitlement	301.11	127.47	-	(141.58)	287.00
Carry forward of tax losses	827.17	(438.14)	-	-	389.03
Stock appreciation rights	23.27	0.92	-	-	24.19
Provision - Employee benefit	202.01	(31.34)	24.28	-	194.95
Inventories	728.46	4.34	-	-	732.80
Insurance receivable	-	68.27	-	-	68.27
Sales return	-	162.00	-	-	162.00
Allowance for doubtful debts - trade receivables	50.09	4.74	-	-	54.83
Others	228.12	(117.52)	-	49.50	160.10
Lease Liability	507.57	263.65	-	(507.57)*	263.65
Property, plant and equipment	(979.06)	192.66	-	-	(786.40)
Undistributed profits of subsidiary (refer note 1 below)	(101.41)	101.41	-	-	-
Intangible assets	86.32	181.64	-	-	267.96
Right-of -use assets	(489.91)	(250.80)	-	489.91*	(250.80)
Total	**1,383.74**	**269.30**	**24.28**	**(109.74)**	**1,567.58**

** Refer Annexure VI of IND AS 116 transition adjustment*

Rs. in million

Note 39 Movement of Deferred tax assets / liabilities	Opening balance as at April 1, 2018*	Transferred to P&L	Transferred to OCI	MAT credit utilised /Others	Closing Balance as at March 31, 2019*
Minimum alternate tax credit entitlement	1,329.58	103.13	-	(1,131.60)	301.11
Carry forward of tax losses	520.29	306.88	-	-	827.17
Stock appreciation rights	271.21	(247.94)	-	-	23.27
Provision - Employee benefit	194.47	2.66	4.88	-	202.01
Inventories	185.80	542.66	-	-	728.46
Allowance for doubtful debts - trade receivables	51.02	(0.93)	-	-	50.09
Others	82.63	109.84	(10.41)	46.06	228.12
Lease Liability	-	507.57	-	-	507.57
Property, plant and equipment	(935.35)	(43.71)	-	-	(979.06)
Undistributed profits of subsidiary (refer note 1 below)	(127.74)	26.33	-	-	(101.41)
Intangible assets	(25.99)	112.31	-	-	86.32
Right-of -use assets	-	(489.91)	-	-	(489.91)
Total	**1,545.92**	**928.89**	**(5.53)**	**(1,085.54)**	**1,383.74**

* Deferred tax assets (net) and deferred tax liabilities (net) as shown in the restated consolidated financial statements has been clubbed for the aforesaid disclosure.

Note 1 : In light of change in the Indian tax laws, the deferred tax liabilities on account of undistributed profits of the subsidiaries has been reversed.

EMCURE PHARMACEUTICALS LIMITED
Annexure V- Notes to the restated consolidated financial statements (continued)

Note 40 : Capital 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 capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.
Generally consistent with others in the industry, the group monitors capital on the basis of the following gearing ratio:
Net debt (total bank borrowings excluding transaction cost, net of cash and cash equivalent and other bank balances)
divided by
Equity attributable to the owners of Emcure Pharmaceuticals Limited (as shown in the Balance Sheet).

The group strategy is to maintain a gearing ratio less than 1.50x. The gearing ratio at year end is as follows:

Rs. in million

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Net Debt (as defined above)	18,010.52	20,050.61	20,356.59
Equity attributable to the owners of Emcure Pharmaceuticals Limited	22,730.22	19,119.54	18,292.61
Gearing ratio	0.79	1.05	1.11

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Note 41 : Financial risk management

The Group is exposed to a variety of financial risks which results from the Group's operating and investing activities. The Group's risk management is carried out by central treasury department in under guidance of the board of directors and the core management team of the Group, and it focuses on actively ensuring the minimal impact of Group's financial position.

This note explains the sources of risk which the Group is exposed to and how the Group manages the risk and the impact of hedge accounting in the restated consolidated financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Aging analysis, Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian rupee (Rs.)	Cash flow forecasting Sensitivity analysis	Effective management of foreign exchange inflow and outflow. Borrowing in foreign currency to fulfil foreign currency obligation
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Ongoing review of existing borrowing rates and seeking for new facilities at lower rate.

A) 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 other financial assets. 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. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of expected losses in respect of trade and other receivables.

Other financial assets that are potentially subject to credit risk consists of cash equivalents and deposits.

Further, the Group also recognises loss allowance by using a provision matrix based on historical credit loss experience wherein fixed provision rates are defined for each financial asset which is past due / not due. The Group depending on the diversity of its asset base, uses appropriate Groupings if the historical credit loss experience shows significant different loss patterns for different customer segments / financial assets.
Also, the Group limits its exposure to credit risk from receivables by establishing a maximum payment period for customers.

The Group considers the recoverability from financial assets on regular intervals so that such financial assets are received within the due dates.

The Group has exposure to credit risk which is limited to carrying amount of financial assets recognised at the date of Balance Sheet.

Trade receivables

Trade receivables are usually due within 7-180 days. Generally, and by practice most domestic customers enjoy a credit period of approximately 7-45 days and for export customers, the credit period ranges from 30 to 180 days. The receivables are not interest bearing, which is the normal industry practice. All trade receivables are subject to credit risk exposure. However, the Group does not identify specific concentration of credit risk with regard to trade receivables, as the amounts recognized represent a large number of receivables from various customers. Certain receivables are also backed by letter of credit from the banks, resulting into negligible credit risk in recovery of such receivables.

The Group uses a provision matrix (simplified approach) to measure the expected credit loss of trade receivables and other financial assets measured at amortised cost.

Year ended March 31, 2021:
Expected credit loss for trade receivables under simplified approach

Rs. in million

Ageing	Not Due	0-90 days past dues	91-180 days past dues	181-270 days past dues	271-360 days past dues	More than 360 days past dues	Total
Gross carrying amount*	3,193.65	1,620.33	366.21	233.83	38.92	185.72	5,638.66
Expected loss rate (includes interest as well as credit loss)	-1.32%	-1.62%	-4.89%	-7.48%	-21.76%	-78.33%	-4.57%
Expected credit losses (loss allowance provision)	(42.27)	(26.17)	(17.92)	(17.49)	(8.47)	(145.48)	(257.80)
Carrying amount of trade receivables (net of impairment)	**3,151.38**	**1,594.16**	**348.29**	**216.34**	**30.45**	**40.24**	**5,380.86**

EMCURE PHARMACEUTICALS LIMITED
Annexure V- Notes to the restated consolidated financial statements (continued)

Note 41 : Financial risk management (continued)

A) Credit risk (continued)
Trade receivables (continued)

Year ended March 31, 2020:
Expected credit loss for trade receivables under simplified approach

Rs. in million

Ageing	Not Due	0-90 days past dues	91-180 days past dues	181-270 days past dues	271-360 days past dues	More than 360 days past dues	Total
Gross carrying amount*	3,531.78	1,440.12	150.47	43.23	66.27	213.91	5,445.78
Expected loss rate (includes interest as well as credit loss)	-1.06%	-1.49%	-6.47%	-17.90%	-12.75%	-55.25%	-3.73%
Expected credit losses (loss allowance provision)	(37.28)	(21.47)	(9.74)	(7.74)	(8.45)	(118.18)	(202.86)
Carrying amount of trade receivables (net of impairment)	**3,494.50**	**1,418.65**	**140.73**	**35.49**	**57.82**	**95.73**	**5,242.92**

Year ended March 31, 2019:
Expected credit loss for trade receivables under simplified approach

Rs. in million

Ageing	Not Due	0-90 days past dues	91-180 days past dues	181-270 days past dues	271-360 days past dues	More than 360 days past dues	Total
Gross carrying amount*	2,268.27	1,085.03	234.99	95.01	27.56	127.73	3,838.59
Expected loss rate (includes interest as well as credit loss)	-0.69%	-0.71%	-2.41%	-3.02%	-38.43%	-80.37%	-3.78%
Expected credit losses (loss allowance provision)	(15.63)	(7.69)	(5.67)	(2.87)	(10.59)	(102.66)	(145.11)
Carrying amount of trade receivables (net of impairment)	**2,252.64**	**1,077.34**	**229.32**	**92.14**	**16.97**	**25.07**	**3,693.47**

During the period, the Group has made write-offs of trade receivables amount to Rs 25.28 million (March 31, 2020 Rs. 54.33 million, March 31, 2019 Rs. 44.02 million).
There are no financial assets which have been written off during the year which are subject to enforcement activity.

* In case of certain subsidiaries located in geographical segments - Africa, Asia (except India), Australia, North America, South America, Europe, management do not expect any expected credit loss against trade receivables based on the past trend of recovery and actual write offs. Therefore trade receivable at the date of financial position with respect to these subsidiaries are not included in the analysis above. Provision amounting to Rs 236.85 million (March 31, 2020 - Rs. 22.65 million, March 31, 2019 Rs. 29.88 million) was made against receivables of certain specific subsidiaries based on management assessment of recovery of these subsidiaries and such loss provision is not considered in analysis above.

ii) *Reconciliation of loss allowance provision — Trade receivables*

Particulars	Rs. in million
Loss allowance on March 31, 2018	**187.96**
Amounts written off	(44.02)
Net remeasurement of loss allowances	31.05
Loss allowance on March 31, 2019	**174.99**
Amounts written off	(54.33)
Net remeasurement of loss allowances	104.85
Loss allowance on March 31, 2020	**225.51**
Amounts written off	(25.28)
Net remeasurement of loss allowances	294.42
Loss allowance on March 31, 2021	**494.65**

Cash and Cash Equivalents and Deposits with Banks:

With respect to the cash and cash equivalents and deposits with banks, the concentration of credit risk is negligible as these are kept with the reputed banks with very high credit worthiness.

Note 41 : Financial risk management (continued)

B) Liquidity risk

Liquidity risk management implies maintaining sufficient cash and availability of funds through adequate amount of committed credit facility to meet the commitments arising out of financial liabilities. Due to the dynamic nature of the underlying business, the Group maintains flexibility in funding by maintaining availability under committed credit lines. In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet future requirements, monitoring balance sheet liquidity ratios against debt covenants and maintaining debt financing plans and ensuring compliance with regulatory requirements.

The Group manages its liquidity needs by carefully monitoring scheduled debt payments as well as cash requirement for day-to-day business. Liquidity needs are monitored regularly as well as on the basis of a 30-day cash flow projection. Long-term liquidity needs for a period from 180 to 360 days period are identified and reviewed at regular intervals.

The Group maintains cash and marketable securities to meet its liquidity requirements. Funding in regards to long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities. The Group is confident of being able to roll forward its short term borrowings.

i) Financing arrangements

The Group has access to undrawn borrowing facilities including overdraft facility at the end of the reporting period.
The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice subject to the continuance of satisfactory credit ratings.

ii) Maturities of financial liabilities

The tables below analyse the Group`s financial liabilities into relevant maturity Groupings based on their contractual maturities for:
- all non-derivative financial liabilities, and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Rs. in million

Contractual maturities of financial liabilities	within 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
March 31 2021					
Trade Payable	9,721.94	-	-	-	9,721.94
Short term borrowing	12,526.74	-	-	-	12,526.74
Long term borrowing	3,535.15	2,478.68	4,112.20	448.82	10,574.85
Consideration (including contingent consideration) payable towards acquisition of subsidiary	2,750.78	-	-	-	2,750.78
Trade deposits	-	-	122.97	-	122.97
Lease Liabilities	422.46	374.68	673.98	540.50	2,011.62
Other financial liabilities	2,091.39	5.29	584.84	-	2,681.52
Total	**31,048.46**	**2,858.65**	**5,493.99**	**989.32**	**40,390.42**
March 31 2020					
Trade Payable	7,406.63	-	-	-	7,406.63
Short term borrowing	12,711.74	-	-	-	12,711.74
Long term borrowing	3,451.50	2,368.02	3,164.96	-	8,984.48
Consideration (including contingent consideration) payable towards acquisition of subsidiary	1,065.49	2,425.47	-	-	3,490.96
Trade deposits	-	-	121.10	-	121.10
Lease Liabilities	395.24	361.08	793.23	666.20	2,215.75
Other financial liabilities	1,887.42	8.29	605.28	-	2,500.99
Total	**26,918.02**	**5,162.86**	**4,684.57**	**666.20**	**37,431.65**
March 31 2019					
Trade Payable	6,853.01	-	-	-	6,853.01
Short term borrowing	10,868.40	-	-	-	10,868.40
Long term borrowing	3,535.68	2,842.98	4,035.80	-	10,414.46
Consideration (including contingent consideration) payable towards acquisition of subsidiary	-	977.71	2,175.06	-	3,152.77
Trade deposits	-	-	123.82	-	123.82
Lease Liabilities	406.00	386.45	911.12	805.85	2,509.42
Other financial liabilities	2,393.69	579.61	-	-	2,973.30
Total	**24,056.78**	**4,786.75**	**7,245.80**	**805.85**	**36,895.18**

C) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) ***Foreign currency risk***

The Group operates in international market and a major portion of its business is transacted in different currencies and consequently the Group is exposed to foreign exchange risk through its sales and services and imported purchase to / from various countries.

The Group's foreign currency exposure is mainly in USD, EURO and GBP. The Group's financial liabilities mainly constitutes bank loans and trade payable. Further, the Group receives foreign currency against its exports receivables on regular basis against which the Group pays its loan and import commitments. To mitigate the risk arising on account of foreign exchange fluctuation management closely monitors the cash inflows based on review of expected future movement.

The bulk of contributions to the Group's assets, liabilities, income and expenses in foreign currency are denominated in USD, Euro and GBP. Foreign currency denominated financial assets and liabilities expressed in Rs. as at the closing are as follows:

Foreign currency risk exposure:

Particulars	Currency	Foreign currency in million			Rs. in million		
		March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2021	March 31, 2020	March 31, 2019
Financial assets							
Receivables (including other receivables)	EURO	3.86	3.10	6.09	331.15	258.18	483.04
	USD	25.75	33.45	17.80	1,882.35	2,530.95	1,252.72
	Others*	0.85	0.62	0.40	48.51	28.82	19.97
Cash and cash equivalents	USD	2.62	2.43	2.82	191.77	183.60	198.13
	EURO	1.29	1.57	1.04	110.58	130.04	82.25
	Others*	0.13	0.05	0.41	0.13	0.05	0.67
Total					**2,564.49**	**3,131.64**	**2,036.78**
Financial liabilities							
Trade Payable	EURO	3.09	2.07	2.00	264.73	172.32	158.77
	USD	12.09	9.54	12.52	883.52	721.74	881.35
	GBP	0.07	0.09	0.02	7.26	8.30	1.85
	Others	-	1.14	1.52	0.10	0.89	6.67
Other Financial Liabilities	USD	0.77	0.03	0.19	56.29	2.29	13.51
	GBP	-	0.02	0.02	-	1.41	1.41
Loans Payable	USD	66.18	16.99	16.95	4,838.09	1,285.55	1,192.88
	GBP	-	6.00	6.00	-	563.64	552.96
Total					**6,049.99**	**2,756.14**	**2,809.40**

* Foreign currencies of insignificant value

Sensitivity:

Rs. in million

Particulars	Impact on profit before tax and equity		
	March 31, 2021	March 31, 2020	March 31, 2019
USD sensitivity			
USD/INR -Increase by 4% (March 31, 2020-4%, March 31, 2019-4%)*	(148.15)	28.20	(25.82)
USD/INR -Decrease by -4% (March 31, 2020-4%, March 31, 2019-4%)*	148.15	(28.20)	25.82
EURO sensitivity			
EURO/INR -Increase by 2% (March 31, 2020-2%, March 31, 2019-2%)*	3.54	4.32	8.13
EURO/INR -Decrease by -2% (March 31, 2020-2%, March 31, 2019-2%)*	(3.54)	(4.32)	(8.13)
GBP sensitivity			
GBP/INR -Increase by 8% (March 31, 2020-8%, March 31, 2019-8%)*	(0.58)	(45.87)	(44.50)
GBP/INR -Decrease by -8% (March 31, 2020-8%, March 31, 2019-8%)*	0.58	45.87	44.50

* Holding all other variables constant

Note 41 : Financial risk management (continued)

C) Market risk (continued)

ii) ***Interest rate risk***

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During March 31, 2021, March 31, 2020 and March 31, 2019, the Group's borrowings at variable rate were mainly denominated in INR, USD, CAD and GBP.

a) *Interest rate risk exposure*

The Group's interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

As a part of Group's interest risk management policy, treasury department closely tracks the base interest rate movements on regular basis. Based on regular review, management assesses the need to enter into interest rate swaps contracts to hedge interest rate risk. Management reviews the future movement in base rate against different factors such as overall micro and macro economic factors, liquidity in the system, expected spending cycle. Further on regular basis management assess the possibility of entering into new facilities which would reduce the future finance cost which helps management to mitigate the risk related to interest rate movement.

All the borrowing are at floating rate, except for those disclosed as fixed rate borrowings under note 18.

b) Sensitivity

The Group's policy is to minimize interest rate cash flow risk exposures on borrowing. The Company has exposure to foreign currency as well as local currency. The local currency loans are linked to bank base rate/ marginal cost of funds based lending (MCLR) whereas foreign currency loans are majorly linked with USD libor linked rates.

The sensitivity of profit or loss to changes in the interest rates arises.

Rs. in million

Particulars	**Impact on profit before tax and equity**		
	March 31, 2021	**March 31, 2020**	**March 31, 2019**
Interest rates — increase by 25 basis points (25 bps) *	(58.17)	(54.56)	(53.38)
Interest rates — decrease by 25 basis points (25 bps) *	58.17	54.56	53.38

* Holding all other variables constant

The bank deposits are placed on fixed rate of interest of approximately 5% to 9%. As the interest rate does not vary unless such deposits are withdrawn and renewed, interest rate risk is considered to be low.

EMCURE PHARMACEUTICALS LIMITED

Annexure V- Notes to the restated consolidated financial statements

Note 42 : Fair value measurements

A. Accounting classifications and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their level in the fair value hierarchy.

Rs. in million

March 31, 2021	Carrying amounts valued at				Fair value			
Carrying amounts and fair values of financial assets and financial liabilities	**FVTPL**	**Amortised Cost**	**Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets not measured at fair value*								
Investment	-	0.03	-	0.03	-	-	-	-
Security deposits	-	289.00	-	289.00	-	-	-	-
Trade receivables	-	14,753.62	-	14,753.62	-	-	-	-
Cash and cash equivalents	-	4,687.46	-	4,687.46	-	-	-	-
Term deposits with banks	-	630.72	-	630.72	-	-	-	-
Other financial assets	-	151.11	-	151.11	-	-	-	-
Total financial assets	**-**	**20,511.94**	**-**	**20,511.94**	**-**	**-**	**-**	**-**
Financial liabilities not measured at fair value*								
Long term borrowings (including current maturities)	-	10,574.85	-	10,574.85	-	-	-	-
Short term borrowings	-	12,526.74	-	12,526.74	-	-	-	-
Lease Liabilities	-	1,492.48		1,492.48	-	-	-	-
Trade deposits	-	122.97	-	122.97	-	-	-	-
Trade payables	-	9,721.94	-	9,721.94	-	-	-	-
Creditors for capital assets	-	919.11	-	919.11	-	-	-	-
Other financial liabilities	-	1,762.41	-	1,762.41	-	-	-	-
Financial liabilities measured at fair value								
Consideration (including contingent consideration) payable towards acquisition of subsidiary	2,750.78	-	-	2,750.78	-	-	2,750.78	2,750.78
Total financial liabilities	**2,750.78**	**37,120.50**	**-**	**39,871.28**	**-**	**-**	**2,750.78**	**2,750.78**

Rs. in million

March 31, 2020	Carrying amounts valued at				Fair value			
Carrying amounts and fair values of financial assets and financial liabilities	**FVTPL**	**Amortised Cost**	**Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets not measured at fair value*								
Investment	-	0.03	-	0.03	-	-	-	-
Security deposits	-	259.05	-	259.05	-	-	-	-
Trade receivables	-	11,452.14	-	11,452.14	-	-	-	-
Cash and cash equivalents	-	1,287.43	-	1,287.43	-	-	-	-
Term deposits with banks	-	483.50	-	483.50	-	-	-	-
Other financial assets	-	154.28	-	154.28	-	-	-	-
Total financial assets	**-**	**13,636.43**	**-**	**13,636.43**	**-**	**-**	**-**	**-**
Financial liabilities not measured at fair value*								
Long term borrowings (including current maturities)	-	8,984.48	-	8,984.48	-	-	-	-
Short term borrowings	-	12,711.74	-	12,711.74	-	-	-	-
Lease Liabilities	-	1,571.22		1,571.22	-	-	-	-
Trade deposits	-	121.10	-	121.10	-	-	-	-
Trade payables	-	7,406.63	-	7,406.63	-	-	-	-
Creditors for capital assets	-	792.46	-	792.46	-	-	-	-
Other financial liabilities	-	1,708.53	-	1,708.53	-	-	-	-
Financial liabilities measured at fair value								
Consideration (including contingent consideration) payable towards acquisition of subsidiary	2,425.47	1,065.49	-	3,490.96	-	-	2,425.47	2,425.47
Mark to market loss on forward exchange contract		-	-	-	-		-	-
Total financial liabilities	**2,425.47**	**34,361.65**	**-**	**36,787.12**	**-**	**-**	**2,425.47**	**2,425.47**

Rs. in million

March 31, 2019	Carrying amounts valued at				Fair value			
Carrying amounts and fair values of financial assets and financial liabilities	**FVTPL**	**Amortised Cost**	**Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets not measured at fair value*								
Investment	-	0.04	-	0.04	-	-	-	-
Security deposits	-	225.66	-	225.66	-	-	-	-
Trade receivables	-	9,720.35	-	9,720.35	-	-	-	-
Insurance claim receivable	-	416.20	-	416.20	-	-	-	-
Cash and cash equivalents	-	914.47	-	914.47	-	-	-	-
Term deposits with banks	-	213.05	-	213.05	-	-	-	-
Other financial assets	-	280.03	-	280.03	-	-	-	-
Total financial assets	**-**	**11,769.80**	**-**	**11,769.80**	**-**	**-**	**-**	**-**
Financial liabilities not measured at fair value*								
Long term borrowings (including current maturities)	-	10,414.46	-	10,414.46	-	-	-	-
Short term borrowings	-	10,868.40	-	10,868.40	-	-	-	-
Lease Liabilities	-	1,781.87	-	1,781.87	-	-	-	-
Trade deposits	-	123.82	-	123.82	-	-	-	-
Trade payables	-	6,853.01	-	6,853.01	-	-	-	-
Creditors for capital assets	-	943.60	-	943.60	-	-	-	-
Other financial liabilities	-	2,029.70	-	2,029.70	-	-	-	-
				-	-	-	-	-
Financial liabilities measured at fair value								
Consideration (including contingent consideration) payable towards acquisition of subsidiary	2,175.06	977.71	-	3,152.77	-	-	2,175.06	2,175.06
Total financial liabilities	**2,175.06**	**33,992.57**	**-**	**36,167.63**	**-**	**-**	**2,175.06**	**2,175.06**

* The Group has not disclosed the fair value for financial instruments such as trade receivables, cash and cash equivalents, term deposits with banks, other financial assets and financial liabilities because their carrying amounts are a reasonable approximation of fair value, due to their short-term nature.

There are no transfers between any levels during the year ended March 31, 2021, March 31, 2020 and March 31, 2019.

EMCURE PHARMACEUTICALS LIMITED

Annexure V- Notes to the restated consolidated financial statements

Note 42 : Fair value measurements (continued)

B. Measurement of fair values

i. Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used. Related valuation process are described in Note.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Contingent consideration	Discounted cash flows: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate. The expected payment is determined by considering the possible scenarios of forecast revenue and EBITDA, the amount to be paid under each scenario and the probability of each scenario.	- Forecast annual revenue growth rate - Forecast EBITDA margin - Risk-adjusted discount rate	The estimated fair value would increase (decrease) if: - the annual revenue growth rate were higher (lower); - the EBITDA margin were higher (lower); or - the risk adjusted discount rate were lower (higher). Generally a change in the annual revenue growth rate is accompanied by a directionally similar change in EBITDA margin.

ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:
Estimating future cash flow and discounted cash flow analysis.

The fair values have been determined based on present values and the discount rates used were adjusted for counterparty credit risk.

C. Level 3 fair values:

i. Reconciliation of Level 3 fair values:

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

Rs. in million

Particulars	Contingent consideration payable towards acquisition of subsidiary
As at March 31, 2018	**1,891.63**
Interest accrued during the year	199.55
Change due to translation	83.88
As at March 31, 2019	**2,175.06**
Interest accrued during the year	219.55
Change due to translation	30.86
As at March 31, 2020	**2,425.47**
Interest accrued during the year	108.57
Change due to translation	216.74
As at March 31, 2021	**2,750.78**

ii. Sensitivity analysis

For the fair values of contingent consideration, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

Contingent consideration

Particulars	Profit or loss					
	March 31, 2021*		March 31, 2020		March 31, 2019	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Annual revenue growth rate (10% movement) **	NIL	NIL	NIL	NIL	NIL	571.42
EBITDA margin (5% movement) **	NIL	NIL	NIL	NIL	NIL	569.01
Risk adjusted discount rate (1% movement) **	NIL	NIL	11.54	(14.53)	30.14	(33.17)

* In December 2020, the holders notified their intent not to exercise their option and to redeem the preferred shares instead. The shares will be redeemed at the current value of Rs. 2,750.78 and thus is not subject to changes in value due to changes in inputs.

** Holding other variables as constant.

Note 43 : - Contingent liabilities (to the extent not provided for)

Claims against the Group not acknowledged as debts as at March 31, 2021

Rs. in million

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
a) Provident fund	53.61	53.61	53.61
b) Sales/entry tax	42.72	36.58	22.61
c) Excise and service tax matters	31.60	10.94	14.06
d) Other matters	-	38.37	38.37
Total	**127.93**	**139.50**	**128.65**

(e) Other notes:

1) A Search and Seizure Operation ('the Operation') was conducted by the Income Tax Department during the month of December 2020 under section 132 of the Income-tax Act, 1961. The Group has till date not received any intimation or notice to file returns or any demand for taxes further in relation to the Search and Seizure. Based on the enquiries made by the Income tax department and the Group's submissions thereto, Management is of the view that the matters involved are normal tax matters in respect of certain tax deductions and allowances, and accordingly the Operation will not have any significant impact on the Group's financial position and performance as at and for the year ended 31 March 2021.

2) Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timing of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities.

3) The Holding Company is also contesting other civil claims against which the Holding Company not acknowledged as debts and the management believes that its position will likely be upheld in the appellate process. At this stage in the proceedings, it is not possible to estimate the likelihood or extent of the liability, if any.

4) There are numerous interpretative issues relating to the Supreme Court (SC) judgment dated 28th February, 2019, relating to components/allowances paid that need to be taken into account while computing an employer's contribution of provident fund under the Employees' Provident Funds and Miscellaneous Provident Act, 1952. The group has also obtained a legal opinion on the matter and basis the same there is no material impact on the restated financial statements as at 31 March 2021, 31 March 2020 and 31 March 2019. The group would record any further effect on its financial statements, on receiving additional clarity on the subject.

5) Further, 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, in the restated consolidated financial statements. The management believes that the ultimate outcome of above proceeding will not have a material adverse effect on the Group's financial position and results of operations.

Note 44 : - Other legal matters - Contingent Liabilities

a. Eli Lilly Co. v. Emcure Pharmaceuticals USA, Inc. and Emcure Pharmaceuticals Ltd., et al. (Pemetrexed Injection)

In August 2015, Eli Lilly Company filed suit against the Holding Company and its subsidiary Heritage Pharma Labs Inc. (erstwhile Emcure Pharmaceuticals USA, Inc.)(collectively "Emcure") alleging infringement of United States Patent No. 7,772,209 (the "'209 patent") in connection with its pemetrexed for injection, 500 mg/vial, product sold under the trade name ALIMTA®. In July 2016, the litigation was dismissed in favor of a consolidated inter parties review ("IPR") filed by Sandoz with multiple generics as co-defendants before the United States Patent and Trademark Office ("US PTO"). In October 2017, the US PTO issued a ruling on the '209 patent that was unfavorable to the generics. Sandoz filed an appeal of the US PTO's ruling in the IPR to the Federal Circuit.

Because Emcure declined to participate in Sandoz's appeal of the US PTO's ruling, in February 2018, the parties agreed to enter into an administrative closure of the litigation against Emcure in exchange for Emcure's agreement to be bound by a Stipulated Preliminary Injunction entered against Sandoz pending the appeal to the Federal Circuit that will prevent the launch of a generic pemetrexed for injection product prior to the expiration of the '209 patent.

On June 4, 2019, the Federal Circuit issued a ruling on the IPR appeal that was unfavorable to the generics. The Group now expects the branded product to be protected from competition from ANDA filers until May 2022, the day after the paediatric exclusivity associated with the '209 patent expires.

b. Celgene Corporation v. Emcure Pharmaceuticals Ltd. and Heritage Pharmaceuticals Inc. (Apremilast Tablet)

In June 2018,November 2018 and April 2019, Celgene Corporation ("Celgene") filed suit against the Holding Company and its subsidiary Heritage Pharmaceuticals Inc. ("Heritage") (together "Emcure") alleging infringement of four U.S. patents: 7,427,638, 7,893,101, 9,872,854, and 10,092,541. Celgene based its infringement allegations on Emcure's filing of an ANDA seeking approval by the FDA to sell a generic version of an apremilast product sold under the trade name OTEZLA® prior to the expiration of each of these four asserted patents. In August 2019, Amgen Inc. (Amgen) announced the purchase of OTEZLA® from Celgene and Amgen continued litigating this case against the Holding Company and Heritage as a substituted plaintiff.

In May 2020, the case was settled and the litigation was dismissed in its entirely with no liability established against Emcure. Under the confidential terms of the settlement, Emcure received a license from Amgen to begin selling its generic apremilast product on a date prior to the expiration of the asserted patents.

c. Novartis Pharmaceutical Corp v. Emcure Pharmaceuticals Ltd. & Heritage Pharmaceuticals Inc. (Fingolimod Tablet)

In July 2018, Novartis Pharmaceuticals Corporation ("Novartis") filed two separate suits against a number of defendants including the Holding Company and its subsidiary Heritage Pharmaceuticals Inc. (together "Emcure") alleging infringement of two U.S. patents: 9,187,405 and 10,543,179. Novartis based its infringement allegations on Emcure's filing of an ANDA seeking approval by the FDA to sell a generic version of a tableted fingolimod product and sold under the trade name GILENYA® prior to the expiration of these two asserted patents.

In May 2020, the case was settled and the litigation was dismissed in its entirely with no liability established against the Emcure. Under the confidential terms of the settlement, Heritage received a license from Novartis to begin selling its generic fingolimod product on a date prior to the expiration of the asserted patents.

Note 44 : - Other legal matters - Contingent liabilities (continued)

d. Sumitomo Dainippon Pharma Co., Ltd., et al. v. Emcure Pharmaceuticals Ltd. and Heritage Pharma Labs Inc. (Lurasidone)

In January 2015, February 2018 and June 2018, Sumitomo Dainippon Pharma Co., Ltd. ("Sumitomo") and Sunovion Pharmaceuticals Inc. ("Sunovion") filed suit against the Holding Company and its subsidiary Heritage Pharma Labs Inc. (formerly Emcure Pharmaceuticals USA, Inc.) (together "Emcure") alleging infringement of three U.S. patents: 5,532,372, 9,815,827 and 9,907,794. Sumitomo and Sunovion based their infringement allegations in connection with each of the above referenced patents on Emcure's filing of an ANDA seeking approval by the FDA to sell a generic version of a tableted lurasidone product prior to the expiration of such patents.

In November 2018, the case was settled and the litigation was dismissed in its entirely with no liability established against the Company. Under the confidential terms of the settlement, Emcure received a license from Sumitomo and Sunovion to begin selling its lurasidone product on a date prior to the expiration of the asserted patents.

e. AstraZeneca Vs Emcure CS (COMM)-407/2020 (Dapagliflozin Tablet)

On Sep 29, 2020, Emcure received an e-mail communication from AstraZeneca's lawyer informing about the filing of a patent infringement suit for asserting two patents related to Dapagliflozin. The asserted patents were IN205147 and IN235625. However, during the injunction trial, Emcure informed the Court that "Emcure will not be manufacturing and/or launching its product as it has lost commercial interest in Dapagliflozin". The matter is under appeal and is pending before Delhi High Court to decide the validity and/or infringement of the aforesaid patents.

Drug Pricing Matters:

Department of Justice (DOJ)

On December 2, 2015, Heritage Pharmaceuticals Inc (Heritage) learned that the United States Department of Justice, Antitrust Division ("DOJ") initiated an investigation into Heritage and its employees regarding alleged violations of U.S. antitrust laws, which prohibit contracting or conspiring to restrain trade or commerce. In support of that investigation, the DOJ executed relevant search warrants at the Heritage's premises and at the residence of one of the Heritage's national accounts managers. In addition, the DOJ served grand jury subpoenas on the Heritage, and several current and former employees, which sought a variety of materials and data relevant to Heritage's generic drug business. The Heritage fully cooperated with the DOJ and responded to its subpoenas.

On May 7, 2018, Heritage received a civil investigative demand from the United States Department of Justice, Civil Division ("DOJ Civil") seeking documents and information in connection with a simultaneous investigation under the False Claims Act.

On May 31, 2019, Heritage announced that it entered into a deferred prosecution agreement ("DPA") with the DOJ relating to a one-count Information for a conspiracy involving glyburide. In conjunction with the DPA, Heritage agreed to pay a USD 225,000 fine. In addition, Heritage also announced that it separately agreed to a settlement with DOJ Civil to resolve potential civil liability under the False Claims Act in connection with the same antitrust conduct. Under the terms of the settlement with DOJ Civil, Heritage agreed to pay USD 7.1 million. These resolutions fully resolve Heritage's potential exposure in connection with the DOJ's ongoing investigation into the generics pharmaceutical industry and have been provided for in the financial statements for year ended March 31, 2019.

In addition to the above, on May 31, 2019, Emcure Pharmaceuticals Limited (Holding company) also entered into a cooperation and non-prosecution agreement ("NPA") with DOJ under which the holding company, and its current officers, directors, and employees received non-prosecution protection in exchange for its agreement to provide cooperation into the DOJ's investigation. These resolutions fully resolve Heritage's potential exposure in connection with the DOJ's ongoing investigation into the generics pharmaceutical industry.

Attorneys General Litigation

On December 21, 2015, Heritage Pharmaceuticals Inc ("Heritage") received a subpoena and interrogatories from the Connecticut Office of the Attorney General seeking information relating to the marketing, pricing and sale of certain of Heritage's generic products (including generic doxycycline) and communications with competitors about such products. On December 14, 2016, attorneys general of twenty states filed a complaint in the United States District Court for the District of Connecticut against several generic pharmaceutical drug manufacturers and individuals, including Heritage, alleging anticompetitive conduct with respect to, among other things, doxycycline hyclate DR.. On June 18, 2018, attorneys general of forty-five states, the District of Columbia and the Commonwealth of Puerto Rico filed an amended consolidated complaint against various drug manufacturers, including Heritage based on the same alleged conduct. The consolidated complaint (the "State AG Complaint") was subsequently amended to add certain attorneys general alleging violations of federal and state antitrust laws, as well as violations of various states' consumer protection laws.

The consolidated State AG Complaint alleges that Heritage engaged in anticompetitive conduct with respect to fifteen different drugs: acetazolamide; doxycycline monohydrate, doxycycline hyclate DR, fosinopril HCTZ, glipizide metformin, glyburide, glyburide metformin, leflunomide, meprobamate, nimodipine, nystatin, paromomycin, theophylline, verapamil, and zoledronic acid. The consolidated State AG Complaint also includes claims asserted by attorneys general of thirty-seven states and the Commonwealth of Puerto Rico against Heritage, Emcure, and certain individuals, including Emcure's Chief Executive Officer, Satish Mehta, with respect to doxycycline hyclate DR. The allegations in the State AG Complaint are similar to those in the previously filed civil complaints (discussed below).

The consolidated State AG Complaint was transferred and consolidated into the ongoing multidistrict litigation captioned In re Generic Pharmaceuticals Pricing Antitrust Litigation, Case No. 16 MD 2724, which is currently pending in the United States District Court, Eastern District of Pennsylvania (the "Antitrust MDL").

The parties are engaged in initial factual discovery in the Antitrust MDL, and therefore, at this stage in the proceedings, it is not possible to estimate the likelihood or extent of the liability, if any.

Civil Litigation

Beginning in 2016, Heritage, along with other manufacturers, has been named as a defendant in lawsuits generally alleging anticompetitive conduct with respect to generic drugs. The lawsuits have been filed by putative classes of direct and indirect purchasers, indirect resellers, as well as individual direct and indirect purchasers. They allege harm under federal and state antitrust laws, state consumer protection laws and unjust enrichment claims. Some of the lawsuits also name Emcure and Emcure's Chief Executive Officer, Satish Mehta, as defendants and include allegations against them with respect to doxycycline hyclate DR. The lawsuits have been consolidated in the Antitrust MDL (referenced above).

A number of other lawsuits have been separately filed against Heritage, and various other manufacturers, by individual plaintiffs who have elected to opt-out of the putative classes. These complaints also generally allege anticompetitive conduct with respect to generic drugs which allegedly caused harm under federal and state antitrust laws, state consumer protection laws and unjust enrichment claims. These lawsuits have also been consolidated in the pending Antitrust MDL.

The parties are engaged in initial factual discovery in the Antitrust MDL, and therefore, at this stage in the proceedings, it is not possible to estimate the likelihood or extent of the liability, if any.

Litigation by Heritage against its Former Executives

On November 10, 2016,Heritage Pharmaceuticals Inc (Heritage) filed a complaint against former executives Jeffrey Glazer and Jason Malek in the U.S. District Court for the District of New Jersey, alleging that Glazer and Malek engaged in fraud and racketeering conduct. The complaint asserts claims under the federal RICO statute, the New Jersey RICO statute, for breach of the fiduciary duty of loyalty, for fraudulent inducement of employment contracts, for unjust enrichment, for breach of contract, and for theft of trade secrets. The case, which is captioned Heritage Pharmaceuticals Inc. v. Glazer, et al., Case No. 16-cv-8483, has been assigned to the Honorable Peter G. Sheridan.

In July 2019, the case was settled under confidential terms and the litigation was dismissed in its entirety with no liability established against Heritage.

Other Litigation Matters

Metformin Litigation

In March 2020, the Heritage Pharmaceuticals Inc (Heritage) received notice that three purported class actions were filed against a number of defendants, including Heritage, alleging personal injuries in connection with alleged elevated levels of N-Nitrosodimethylamine ("NDMA") contained in a Metformin IR product manufactured by a third party manufacturer and sold by Heritage. Each of the three cases are pending in the United States District Court, District of New Jersey, and captioned Harris v. Aurobindo Pharma Ltd., et al., Civil Action No.: 20-3350; Hann v. Heritage Pharmaceuticals Inc. d/b/a Avet Pharmaceuticals Inc., Civil Action No.: 20-3415; and MSP Recovery Claims, Series LLC v. Aurobindo Pharma Ltd, et al., Civil Action No.: 20-6609. On June 23, 2020, a fourth purported class action – Sandoval v. Heritage Pharmaceuticals Inc. – was filed in California Superior Court, Los Angeles County, similarly alleging personal injuries in connection with alleged elevated NDMA levels contained in a Metformin IR product manufactured by a third party manufacturer and sold by Heritage.

Heritage denies any liability and fully intends to defend these claims. In addition, Heritage also asserted a claim for indemnification, and tendered its defense, in each of the lawsuits to the third party manufacturer. The indemnity and defense claim was accepted by third party manufacturer. and the third-party manufacturer assigned legal counsel to defend Heritage against these claims.

At this stage in the proceedings, it is not possible to estimate the likelihood or extent of the Heritage's potential liability, if any.

Ranitidine Litigation

In June 2020, Heritage Pharmaceuticals Inc (Heritage) received notice that three Master Consolidated Complaints - the Master Personal Injury Complaint ("MPIC"), the Consolidated Consumer Class Action Complaint ("CCCAC"), and the Consolidated Third Party Payor Class Complaint ("CTPPCC") - and five individually-filed purported class actions have been filed against a number of defendants, including Heritage, Heritage Labs, and Emcure, alleging personal injuries in connection with alleged elevated levels of NDMA contained in a ranitidine product that may have been manufactured by a third-party manufacturer and allegedly sold by Heritage. Each case has been consolidated into the ongoing multidistrict litigation captioned In re: Zantac (Ranitidine) Products Liability Litigation, MDL No. 2924, Case No. 20 MD 294, in the United States District Court, Southern District of Florida. Heritage Labs and Emcure have been dismissed by the Court from this litigation without prejudice, leaving Heritage as the single remaining defendant.

In late 2020, the generic manufacturer defendants (including Heritage) filed several motions to dismiss each Master Consolidated Complaint on a number of legal theories, including federal preemption and on the basis that the Complaints were improperly pled as shotgun pleadings. In January 2021, the District Court issued a number of decisions that were favorable to the generic manufacturer defendants (including Heritage), including a dismissal with prejudice of all claims against the generic manufacturer defendants under each of the three Master Consolidated Complaints as preempted under federal law. In February 2021, Plaintiffs appealed the District Court's decision to the Circuit Court and that appeal remains pending.

In addition, the District Court further found that the MPIC, CCCAC, and CTPPCC were each improperly pled as shotgun pleadings, and each Master Consolidated Complaint was dismissed without prejudice. In February 2021, Plaintiffs appealed the decision to dismiss the MPIC as an improperly pled shotgun pleading and that appeal remains pending before the Circuit Court. Also in February 2021, Plaintiffs filed an amended CCCAC, and an amended CTPPCC, however, Heritage is no longer a named defendant in either of those complaints.

Heritage denies any liability and fully intends to defend these claims. In addition, Heritage asserted a claim for indemnification, and tendered its defense, in each of the ranitidine lawsuits to the third-party manufacturer. The third-party manufacturer accepted the indemnity and defense tender under a reservation of rights, and in March 2021, the third-party manufacturer assigned legal counsel to defend Heritage against these claims. At this stage in the proceedings, it is not possible to estimate the likelihood or extent of Heritage potential liability, if any.

Note 44 : - Other legal matters - Contingent liabilities (continued)

Other Litigation Matters (continued)

Losartan Litigation

In March 2021, the Heritage Pharmaceuticals Inc (Heritage) received notice that three individually filed, Short Form Personal Injury Complaints have been filed against a number of defendants, including Heritage, alleging personal injuries in connection with alleged elevated levels of NDMA contained in a losartan product that may have been manufactured by a third-party manufacturer and allegedly sold by Heritage. Each case has been consolidated into the ongoing multidistrict litigation captioned In re Valsartan, Losartan and Irbesartan Products Liability Litigation, MDL 2875, in the United States District Court, District of New Jersey.

The Heritage denies any liability and fully intends to defend these claims. In addition, the Heritage asserted a claim for indemnification, and tendered its defense, in each of the losartan lawsuits to the third-party manufacturer, and the response to the tender remains outstanding. At this stage in the proceedings, it is not possible to estimate the likelihood or extent of the Heritage's potential liability, if any.

Canadian Drug Pricing Litigation

In June 2020, Heritage Pharmaceuticals Inc ("Heritage") and Marcan Pharmaceutical Inc ("Marcan") received notice that a purported class action was filed on behalf of a class of direct purchasers against a number of defendants, including Heritage and Marcan, generally alleging anticompetitive conduct under Canadian law with respect to the sale of generic drugs. The claims and allegations in this complaint are nearly identical to the claims and allegations asserted by the Civil Plaintiffs, and the State Attorneys General, in the drug pricing complaints filed in the United States (discussed above), except that these plaintiffs allege that the same conduct occurred in Canada in violation of Canadian law. The case is pending in Canadian Federal Court, Toronto, Ontario and captioned Eaton v. Teva Canada Ltd., et al., Court File No.: T-607-20.
The Group denies any liability and fully intends to defend these claims. The parties are engaged in initial factual discovery in this case, and therefore, at this stage in the proceedings, it is not possible to estimate the likelihood or extent of the Group potential liability, if any.

General
From time to time, the Group is subject to various disputes, governmental and/or regulatory inquiries or investigations, and litigations, some of which result in losses, damages, fines and charges against the Company. While the Group intends to vigorously defend its position in the claims asserted against it, the ultimate resolution of a matter is often complex, time consuming, and difficult to predict. Therefore, except as described below, the Group does not currently have a reasonable basis to estimate the loss, or range of loss, that is reasonably possible with respect to matters disclosed in this note.

The Group records a provision in its financial statements to the extent that it concludes that a contingent liability is probable and the amount is estimable and has noted those contingencies below. The Group assessments involve complex judgments about future events and often rely heavily on estimates and assumptions. The Group also incurs significant legal fees and related expenses in the course of defending its positions even if the facts and circumstances of a particular litigation do not give rise to a provision in the financial statements.

Note 45 : - Capital and other commitments (to the extent not provided for)

A) Capital commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is Rs. 587.87 million (March 31, 2020: Rs. 530.52 million, March 31, 2019: Rs. 637.95 million).

B) Other commitments

a) The Group has a 100 per cent Export Oriented Unit (EOU) set up under the permission granted by the Office of the Development Commissioner of SEEPZ Special Economic Zone of the Government of India. The authorities have, inter alia, laid down the following conditions, failing which the Group may be liable for penal action:

i. The entire (100%) production shall be exported against hard currency except the sales in domestic tariff area admissible as per entitlement.
ii. The Export Oriented Unit of the Group shall be a positive net foreign exchange earner over a period of six years from the date of commencement of production.

As at the year end, the Group is in compliance with the condition laid down by the authorities and does not expect any non-compliance in future.

b) The group has imported certain machinery under the Export Promotion Capital Goods (EPCG) Scheme and accordingly has an export obligation of Rs. 68.67 millions (March 31, 2020 : Rs. 38.20 millions, March 31, 2019 : Rs. 69.75 millions). In this respect the group has given bank guarantees of Rs. 3.87 millions (March 31, 2020 : Rs. 6.56 millions, March 31, 2019 : Rs. Nil) to the Director General of Foreign Trade (DGFT) and Bond of Rs. 59.00 millions (March 31, 2020 : Rs. 43.63 millions, March 31, 2019 : Rs. 49.63 millions) to the Commissioner of Customs.

Year of issue	Export obligation to be fulfilled	Unfulfilled export obligation					
		As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
		USD million	Rs. million	USD million	Rs. million	USD million	Rs. million
2016-17	2022-23	-	-	-	-	0.26	17.70
2017-18	2023-24	-	-	-	-	0.20	13.85
2018-19	2024-25	-	-	0.54	38.20	0.54	38.20
2020-21	2026-27	0.94	68.67	-	-	-	-
		0.94	**68.67**	**0.54**	**38.20**	**1.00**	**69.75**

Note 46 : - Earnings per share

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Basic earnings per share			
A. Profit after tax attributable to equity shareholders (Rs. million)	3,921.47	836.07	1,892.97
B. Weighted average number of equity shares for the year	18,08,52,116	18,08,52,116	18,08,52,116
Basic earnings per share (Rs.) (A/B)	**21.68**	**4.62**	**10.47**
Diluted earnings per share			
C. Adjusted net profit for the year (Rs. million) (refer note below)	3,921.47	836.07	1,892.97
Weighted average number of equity shares for the year	18,08,52,116	18,08,52,116	18,08,52,116
Add: Effect of employee stock options*	-	-	-
D. Weighted average number of equity share (diluted) for the year	18,08,52,116	18,08,52,116	18,08,52,116
Adjusted EPS (Rs.) (C/D)	**21.68**	**4.62**	**10.47**
Face value per share (Rs.)	**10.00**	**10.00**	**10.00**

* The effect of conversion of potential equity share for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 is excluded, since the impact on earnings per share is anti dilutive.

Note 47 : - Segment reporting

Operating segment are components of the Group whose operating results are regularly reviewed by the Chief Operating Decision Maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. The Group's board of directors along with it's Managing director, examines the Group's performance and have identified single reportable operating segment, viz. 'Pharmaceuticals' for the purpose of making decision on allocation of resources and assessing its performance. Board of directors primarily use revenue as a measure to assess the performance of the operating segment.

The Group is domiciled in India. The amount of its revenue from external customers broken down by destination of shipment of goods is shown in the table below.

Entity – wide disclosures: **Rs. in million**

Revenue from external customers	March 31, 2021	March 31, 2020	March 31, 2019
Sales (Net)			
India (A)	24,766.02	22,918.31	20,478.49
Outside India			
Europe	7,383.14	6,069.00	5,660.54
North America	17,122.83	15,784.83	15,551.56
Other continents	11,292.16	5,713.40	5,481.24
Outside India Total (B)	35,798.13	27,567.23	26,693.34
Total (A+B)	**60,564.15**	**50,485.54**	**47,171.83**

The following table shows the distribution of the Company's property, plant and equipment including capital work in progress and Right-of-use assets based on the location of assets:

Rs. in million

Non - Current Assets	March 31, 2021	March 31, 2020	March 31, 2019
Non Current Assets			
India (A)	17,439.45	17,431.99	18,235.78
Outside India			
North America	1,819.55	2,200.19	2,386.53
Other continents	72.50	108.56	144.01
Outside India Total (B)	1,892.05	2,308.75	2,530.54
Total (A+B)	**19,331.50**	**19,740.74**	**20,766.32**

Non-current assets other than property, plant and equipment including capital work in progress and Right -of- use assets are used in the group's business across the locations interchangeably and accordingly management is of the view that separate disclosure of for these is not required.

Major Customers:
The Group has no external customer which accounts for more than 10% of the Group's total revenue for the year ended March 31, 2021, March 31, 2020 and March 31, 2019.

EMCURE PHARMACEUTICALS LIMITED

Annexure V- Notes to the restated consolidated financial statements (continued)

Note 48 : - Related party disclosure

Related parties with whom there were transactions during the year and nature of relationship

Subsidiaries:

Zuventus Healthcare Limited
Gennova Biopharmaceuticals Limited
Emcure Brasil Farmaceutica Ltda.
Emcure Nigeria Limited
Emcure Pharmaceuticals Mena FZ-LLC.
Emcure Pharmaceuticals South Africa (Pty) Ltd
Heritage Pharma Holdings Inc. (doing business as Avet Pharmaceuticals Holdings Inc.)
Emcure Pharma UK Ltd.
Emcure Pharma Mexico S.A. DE C.V.
Emcure Pharma Peru S.A.C.
Marcan Pharmaceuticals Inc.
Emcure Pharmaceuticals Pty Ltd.
Avet Lifesciences Limited (From August 26, 2020)
Emcure Pharma Chile SpA (From October 2, 2020)
Lazor Pharmaceuticals Limited (From February 4, 2021)

Step-down subsidiaries:

Heritage Pharmaceuticals Inc. (doing business as Avet Pharmaceuticals Inc.) (Subsidiary of Heritage Pharma Holdings Inc.)
Heritage Pharma Labs Inc. (doing business as Avet Pharmaceuticals Labs Inc.) (Subsidiary of Heritage Pharma Holdings Inc.)
Tillomed Holdings Limited (Subsidiary of Emcure Pharma UK Ltd) (Dissolved w. e. f. April 16, 2019)
Hacco Pharma Inc. (Subsidiary of Heritage Pharma Holdings Inc.)(From March 6, 2019)
Tillomed Laboratories Limited (Subsidiary of Tillomed Holdings Limited)
Tillomed Pharma GmbH, Germany (Subsidiary of Emcure Pharma UK Ltd.)
Laboratorios Tillomed Spain S.L.U. (Subsidiary of Emcure Pharma UK Ltd.)
Tillomed France SAS (Subsidiary of Emcure Pharma UK Ltd.)
Tillomed Italia S.R.L, Italy (Subsidiary of Emcure Pharma UK Ltd.)
Emcure NZ Limited (Subsidiary of Emcure Pharmaceuticals Pty Ltd.)
Tillomed Laboratories BV (Subsidiary of Emcure Pharma UK Ltd.) (From April 24, 2019)

Key Management Personnel: Whole Time Directors

Mr. Satish Mehta (Managing Director)
Mr. Mukund Gurjar (Executive Director)
Mr. Sunil Mehta (Executive Director)
Mrs. Namita Thapar (Executive Director) (Chief Finance Officer upto April 15, 2021)

Key Management Personnel: Other than Whole Time Directors

Mr. S.K. Bapat (Independent Director)
Mr. Humayun Dhanrajgir (Chairman and Independent Director upto April 15,2021)
Mr. Berjis Desai (Chairman and Independent Director) (Appointed as Chairman w.e.f. April 16, 2021)
Mr. Samonnoi Banerjee (Nominee of BC capital Investment IV Ltd) (Director)
Mr. P. S. Jaykumar (Independent Director w.e.f. July 22, 2020)
Mr. Tajuddin Shaikh (Chief Finance Officer w.e.f. April 16, 2021)
Dr. Vidya Rajiv Yeravdekar (Independent Director w.e.f. April 16, 2021)
Dr. Shailesh Kripalu Ayyangar (Non Executive Director w.e.f. April 16, 2021)
Mr. Vijay Keshav Gokhale (Independent Director w.e.f. April 16, 2021)
Dr. Girish Telang (Independent Director upto September 11, 2018)
Dr. Fakrul Sayeed (Director upto July 16, 2018)

Key Management Personnel: Relatives

Mr. Sanjay Mehta
Mr. Vikas Thapar
Mr. Samit Mehta
Mr. Rutav Mehta
Mrs. Bhavna Mehta

Enterprise over which Key Management Personnel have control:

H.M. Sales Corporation
Uth Beverages Factory Pvt. Ltd.

(a) Summary of transactions/ balances with related parties are as follows:

Rs. in million

Sr. No.	Description of the nature of the transaction	Transactions during			Amount outstanding as at					
		2020-21	2019-20	2018-19	March 31, 2021		March 31, 2020		March 31, 2019	
					Receivable	Payable	Receivable	Payable	Receivable	Payable
1)	**Sale of assets**									
	Uth Beverage Factory Pvt. Ltd.	0.11	-	-	0.13	-	-	-	-	-
2)	**Purchase of goods & services**									
	Uth Beverage Factory Pvt. Ltd.	-	-	0.50	-	-	-	-	-	-
3)	**Sale /(Return) of goods and services**									
	Uth Beverage Factory Pvt. Ltd.	-	-	0.01	-	-	-	-	0.02	-
	H.M. Sales Corporation	(5.03)	8.96	-	3.97	-	10.07	-	-	-
4)	**Interest paid**									
	H.M. Sales Corporation	0.75	0.75	0.75	-	0.17	-	0.17	-	0.17
5)	**Deposits accepted**									
	H.M. Sales Corporation	-	-	-	-	10.00	-	10.00	-	10.00

Rs. in million

Sr. No.	Description of the nature of the transaction	Transactions during			Amount outstanding as at					
		2020-21	2019-20	2018-19	March 31, 2021		March 31, 2020		March 31, 2019	
					Receivable	Payable	Receivable	Payable	Receivable	Payable
6)	**Commission paid**									
	H.M. Sales Corporation	40.54	37.19	38.45	-	12.14	-	9.95	-	10.18
7)	**Reimbursement of expenses made**									
	Uth Beverage Factory Pvt. Ltd.	-	0.50	0.03	-	-	-	-	-	-
	H.M. Sales Corporation	3.44	4.82	0.71	-	1.01	-	0.78	-	-
8)	**Royalty expense**									
	Uth Beverage Factory Pvt. Ltd.	1.15	1.71	1.94	-	0.27	-	0.73	-	1.04
9)	**Remuneration paid**									
	Key management personnel: whole time directors									
	Mr. Satish Mehta	209.82	160.05	158.50	-	62.54	-	29.66	-	43.80
	Mr. Mukund Gurjar	42.93	40.79	38.23	-	9.51	-	9.39	-	9.10
	Mr. Sunil Mehta	22.85	21.01	18.66	-	2.81	-	6.93	-	6.67
	Mrs. Namita Thapar	30.06	23.70	21.43	-	3.55	-	5.10	-	5.10
	Key management personnel: relatives									
	Mr. Samit Mehta	29.43	22.04	19.42	-	3.58	-	5.43	-	5.39
	Mr. Vikas Thapar	30.37	24.95	29.41	-	3.53	-	5.18	-	5.47
	Mr. Sanjay Mehta	23.37	20.97	18.66	-	2.87	-	7.25	-	6.67
	Mr. Rutav Mehta	-	1.50	1.52	-	-	-	0.15	-	0.09
	Key management personnel: other than whole time directors									
	Dr. Fakrul Sayeed	-	-	43.12	-	-	-	-	-	9.46
10)	**Post-employment obligation and other long term employee benefits**									
	Key management personnel: whole time directors									
	Mr. Sunil Mehta	7.90	1.34	1.08	-	-	-	10.36	-	9.03
	Mrs. Namita Thapar	4.11	1.25	1.08	-	10.07	-	5.96	-	4.72
	Key management personnel: relatives									
	Mr. Samit Mehta	5.96	1.33	1.49	-	12.41	-	6.45	-	5.12
	Mr. Vikas Thapar	3.60	0.80	1.18	-	10.01	-	6.41	-	5.61
	Mr. Sanjay Mehta	6.49	1.58	0.77	-	16.08	-	9.59	-	8.00
	Mr. Rutav Mehta	-	0.05	0.04	-	-	-	0.15	-	0.10
11)	**Compensated absences Provisions**									
	Key management personnel: whole time directors									
	Mr. Satish Mehta	1.12	1.77	1.77	-	16.98	-	15.86	-	14.08
	Mr. Mukund Gurjar	0.36	0.02	0.33	-	3.96	-	3.61	-	3.58
	Mr. Sunil Mehta	1.18	0.08	0.08	-	2.64	-	1.46	-	1.37
	Mrs. Namita Thapar	1.51	0.37	0.35	-	4.09	-	2.58	-	2.21
	Key management personnel: relatives									
	Mr. Samit Mehta	1.84	0.34	0.46	-	4.08	-	2.24	-	1.90
	Mr. Vikas Thapar	1.30	0.13	0.36	-	4.04	-	2.75	-	2.62
	Mr. Sanjay Mehta	0.94	0.19	0.11	-	2.60	-	1.66	-	1.47
	Mr. Rutav Mehta	-	-	0.02	-	-	-	0.02	-	0.09
12)	**Employee share based payments**									
	Key management personnel: relatives									
	Mr. Vikas Thapar	4.13	6.32	0.64	-	36.15	-	32.02	-	25.70
	Key management personnel: other than whole time directors									
	Dr. Fakrul Sayeed	-	-	0.80	-	-	-	-	-	0.80
13)	**Stock appreciation rights**									
	Key management personnel: relatives									
	Mr. Vikas Thapar	-	1.42	-	-	-	-	-	-	2.11
14)	**Director fees Paid**									
	Key management personnel: whole time directors									
	Mr. Satish Mehta	-	-	3.49	-	-	-	-	-	0.87
	Key management personnel: relatives									
	Mr. Vikas Thapar	-	3.54	3.49	-	-	-	-	-	0.87
	Key management personnel: other than whole time directors									
	Dr. Fakrul Sayeed	-	-	4.75	-	-	-	-	-	1.19

Rs. in million

Sr. No.	Employee share based payments	Transactions during			Amount outstanding as at					
		2020-21	2019-20	2018-19	March 31, 2021		March 31, 2020		March 31, 2019	
					Receivable	Payable	Receivable	Payable	Receivable	Payable
15)	**Dividend Paid**									
	Key management personnel: whole time directors									
	Mr. Satish Mehta	76.38	190.57	341.04	-	-	-	-	-	-
	Mr. Mukund Gurjar	0.30	0.74	1.33	-	-	-	-	-	-
	Mr. Sunil Mehta	11.09	27.91	49.33	-	-	-	-	-	-
	Mrs. Namita Thapar	6.34	15.85	28.53	-	-	-	-	-	-
	Key management personnel: relatives									
	Mr. Samit Mehta	13.55	33.87	60.96	-	-	-	-	-	-
	Mr. Vikas Thapar	0.38	0.94	1.69	-	-	-	-	-	-
	Mr. Sanjay Mehta	15.87	39.61	70.99	-	-	-	-	-	-
	Mrs. Bhavna Mehta	9.26	23.14	42.25	-	-	-	-	-	-
	Mr. Rutav Mehta	1.10	11.45	4.84	-	-	-	-	-	-
16)	**Commission Paid**									
	Mr. S.K. Bapat	6.50	5.90	5.90	-	6.50	-	5.90	-	6.00
	Mr. Humayun Dhanrajgir	2.00	2.00	3.20	-	2.00	-	2.00	-	3.00
	Mr. Berjis Desai	3.50	2.50	3.80	-	3.50	-	2.50	-	3.60
	Mr. P. S. Jaykumar	2.40	-	-	-	2.40	-	-	-	-
	Dr. Girish Telang	-	-	-	-	-	-	-	-	10.00
17)	**Sitting fees Paid**									
	Key management personnel: whole time directors									
	Mr. Satish Mehta	3.71	3.54	3.49	-	0.93	-	-	-	0.87
	Key management personnel: relatives									
	Mr. Vikas Thapar	3.71	3.54	3.49	-	0.93	-	-	-	0.87
	Key management personnel: other than whole time directors									
	Mr. S.K. Bapat	0.68	0.67	0.47	-	-	-	-	-	-
	Mr. Humayun Dhanrajgir	0.28	0.06	0.16	-	-	-	-	-	-
	Mr. Berjis Desai	0.28	0.28	0.20	-	-	-	-	-	-
	Mr. Samonnoi Banerjee	0.16	0.16	0.12	-	-	-	-	-	-
	Mr. P. S. Jaykumar	0.10	-	-	-	-	-	-	-	-
	Dr. Fakrul Sayeed	-	-	4.75	-	-	-	-	-	1.19
18)	**Rent Paid**									
	Key management personnel: whole time directors									
	Mr. Sunil Mehta	0.33	0.33	0.33	-	-	-	-	-	-
	Key management personnel: relatives									
	Mr. Sanjay Mehta	0.33	0.33	0.33	-	-	-	-	-	-
	Mrs. Bhavna Mehta	0.24	0.24	0.24	-	-	-	-	-	-

(b) Summary of transactions/ balances within the Group: (these transactions got eliminated in Restated Consolidated Financial Information)*

Rs. in million

Sr. No.	Description of the nature of the transaction	Volume of transactions during			Amount outstanding as at					
		2020-21	2019-20	2018-19	March 31, 2021		March 31, 2020		March 31, 2019	
					Receivable	Payable	Receivable	Payable	Receivable	Payable
1)	**Purchase of goods & services**									
	Zuventus Healthcare Limited	89.62	46.54	62.77	-	1.15	-	-	-	5.81
	Gennova Biopharmaceuticals Limited	81.29	97.19	195.10	-	15.16	-	8.87	-	-
2)	**Sale of assets**									
	Zuventus Healthcare Limited	13.59	-	0.87	-	-	-	-	-	-
	Gennova Biopharmaceuticals Limited	-	0.11	3.73	(152.14)	-	-	-	-	-
3)	**Purchase of assets**									
	Zuventus Healthcare Limited	-	-	0.31	-	-	-	-	-	-
	Gennova Biopharmaceuticals Limited	0.04	0.01	0.02	-	-	-	-	-	-
	Tillomed Laboratories Limited	-	-	-	-	-	-	4.93	-	4.93

*** As per Schedule VI (Para 11(I)(A)(i)(g)) of ICDR Regulations**

EMCURE PHARMACEUTICALS LIMITED
Annexure V- Notes to the restated consolidated financial statements (continued)

Note 48 : - Related party disclosure (Continued)

(b) Summary of transactions/ balances within the Group: (these transactions got eliminated in Restated Consolidated Financial Information) (Continued)*

Rs. in million

Sr. No.	Description of the nature of the transaction	Transactions during			Amount outstanding as at					
		2020-21	2019-20	2018-19	March 31, 2021		March 31, 2020		March 31, 2019	
					Receivable	Payable	Receivable	Payable	Receivable	Payable
4)	**Sale /(Return) of goods and services**									
	Zuventus Healthcare Limited	429.39	182.47	254.63	6.56	-	15.63	-	4.55	-
	Gennova Biopharmaceuticals Limited	230.62	242.62	189.08	2.85	-	-	-	-	-
	Heritage Pharma Labs Inc.	67.37	164.74	66.23	110.11	-	208.93	-	24.36	-
	Emcure Pharmaceuticals Mena FZ-LLC.	386.00	263.71	452.28	99.80	-	215.31	-	269.55	-
	Heritage Pharmaceuticals Inc.	776.90	2,162.66	3,791.90	1,629.68	-	2,890.50	-	988.76	-
	Emcure Pharmaceuticals South Africa (Pty) Ltd	1,052.47	208.15	157.41	818.16	-	100.97	-	96.09	-
	Emcure Pharma UK Ltd.	(92.02)	(29.58)	1,801.49	230.23	-	1,869.56	-	2,446.02	-
	Emcure Pharma Peru S.A.C.	3,320.68	25.76	76.86	1,708.27	-	111.13	-	77.35	-
	Tillomed Laboratories Limited	2,734.36	1,894.98	1,031.66	-	-	1,329.35	-	1,269.01	-
	Tillomed Pharma GmbH	-	-	-	-	-	105.42	-	100.05	-
	Tillomed Italia S.R.L	14.53	-	-	14.65	-	16.59	-	15.49	-
	Marcan Pharmaceuticals Inc.	1,342.05	925.94	704.46	1,366.15	-	680.70	-	633.70	-
	Hacco Pharma Inc.	256.74	-	-	88.70	-	-	-	-	-
5)	**Advance received for goods and services**									
	Tillomed Laboratories Limited	-	-	-	(6.01)	-	-	-	-	-
	Marcan Pharmaceuticals Inc.	-	-	-	(27.96)	-	-	-	-	-
6)	**Purchase of shares of subsidiary**									
	Marcan Pharmaceuticals Inc.	651.57	-	-	-	-	-	-	-	-
	Heritage Pharma Holdings Inc.	1,486.31	375.42	-	-	-	-	-	-	-
	Emcure Pharma UK Ltd.	2,022.72	598.37	-	-	-	-	-	-	-
	Emcure Pharma Peru S.A.C.	41.05	-	-	-	-	-	-	-	-
	Avet Lifesciences Limited	0.10	-	-	-	-	-	-	-	-
	Emcure Pharma Chile SpA	3.66	-	-	-	-	-	-	-	-
	Emcure Pharmaceuticals South Africa (Pty) Ltd	178.76	-	-	-	-	-	-	-	-
	Emcure Pharmaceuticals Mena FZ-LLC.	321.11	-	-	-	-	-	-	-	-
7)	**Equity contribution in the nature of employee stock options issued to employees of subsidiary / (cancellation of employee stock options issued)**									
	Heritage Pharma Holdings Inc.	(25.26)	25.27	-	-	-	-	-	-	-
	Zuventus Healthcare Limited	(2.45)	-	0.11	-	-	-	-	-	-
	Gennova Biopharmaceuticals Limited	0.73	2.35	0.14	-	-	-	-	-	-
	Marcan Pharmaceuticals Inc.	0.42	0.93	2.36	-	-	-	-	-	-
	Heritage Pharma Labs Inc.	(7.83)	1.44	0.48	-	-	-	-	-	-
	Heritage Pharmaceuticals Inc.	(117.68)	82.93	34.74	-	-	-	-	-	-
	Emcure Pharma UK Ltd.	-	-	0.09	-	-	-	-	-	-
	Tillomed Laboratories Limited	7.01	3.78	1.18	-	-	-	-	-	-
8)	**Loans and advances given / (repaid)** #									
	Emcure Nigeria Limited	-	-	-	33.81	-	57.93	-	51.60	-
	Emcure Pharmaceuticals South Africa (Pty) Ltd	(133.90)	-	-	-	-	131.44	-	116.69	-
	Emcure Pharmaceuticals Mena FZ-LLC.	(96.75)	-	-	119.85	-	214.84	-	201.33	-
	Emcure Brasil Farmaceutica Ltda.	-	-	-	81.15	-	104.76	-	89.85	-
	Emcure Pharmaceuticals Pty Ltd.	-	(10.99)	(5.08)	-	-	-	-	8.09	-
	Emcure Pharma Mexico S.A. DE C.V.	-	-	-	57.70	-	68.59	-	53.22	-
	Emcure Pharma Peru S.A.C.	60.06	3.17	5.98	105.42	-	48.57	-	39.80	-
	Heritage Pharma Holdings Inc.	2,509.05	-	-	2,485.74	-	-	-	-	-
	Emcure Pharma UK Ltd.	560.19	-	-	604.77	-	-	-	-	-
	Avet Lifesciences Limited	1.30	-	-	1.30	-	-	-	-	-
9)	**Interest income**									
	Emcure Nigeria Limited	3.81	3.74	3.64	32.02	-	28.89	-	23.84	-
	Emcure Pharmaceuticals South Africa (Pty) Ltd	3.11	8.11	7.77	28.56	-	42.12	-	32.45	-
	Emcure Pharmaceuticals Mena FZ-LLC.	18.93	19.56	18.71	15.05	-	109.15	-	105.45	-
	Emcure Brasil Farmaceutica Ltda.	8.00	7.86	7.53	43.09	-	36.58	-	29.58	-
	Emcure Pharmaceuticals Pty Ltd.	-	0.59	1.25	-	-	0.11	-	3.16	-
	Emcure Pharma Peru S.A.C.	6.35	4.05	3.61	13.19	-	7.44	-	4.75	-
	Emcure Pharma Mexico S.A. DE C.V.	6.82	6.72	6.00	16.04	-	11.36	-	6.17	-
	Emcure Pharma UK Ltd.	22.10	-	-	18.97	-	-	-	-	-
	Heritage Pharma Holdings Inc.	36.27	-	-	30.68	-	-	-	-	-
	Avet Lifesciences Limited	0.02	-	-	0.02	-	-	-	-	-
10)	**Net gain/(loss) on loans given to subsidiaries measured at amortised cost**									
	Emcure Brasil Farmaceutica Ltda.	(21.22)	5.19	5.33	-	-	-	-	-	-
	Emcure Nigeria Limited	(22.17)	1.99	2.73	-	-	-	-	-	-
	Emcure Pharma Mexico S.A. DE C.V.	(9.22)	8.49	6.32	-	-	-	-	-	-
	Emcure Pharma Peru S.A.C.	-	0.65	0.63	-	-	-	-	-	-
	Emcure Pharmaceuticals Mena FZ-LLC.	7.85	(2.82)	(6.28)	-	-	-	-	-	-
	Emcure Pharmaceuticals South Africa (Pty) Ltd	6.63	4.76	4.05	-	-	-	-	-	-
	Emcure Pharmaceuticals Pty Ltd.	-	0.77	0.30	-	-	-	-	-	-
11)	**Sale of Steam (classified under other income)**									
	Gennova Biopharmaceuticals Limited	18.69	19.48	11.54	1.00	-	1.15	-	-	-
12)	**Deposits accepted**									
	Zuventus Healthcare Limited	-	-	-	-	1.00	-	0.85	-	0.76
	Gennova Biopharmaceuticals Limited	-	-	-	-	13.27	-	11.85	-	14.86
13)	**Amortisation of deferred rent receivable**									
	Gennova Biopharmaceuticals Limited	1.12	2.10	1.30	-	1.21	-	2.33	-	0.37
	Zuventus Healthcare Limited	0.17	0.09	0.09	-	-	-	0.12	-	1.23

EMCURE PHARMACEUTICALS LIMITED
Annexure V- Notes to the restated consolidated financial statements (continued)

Note 48 : - Related party disclosure (Continued)

(b) Summary of transactions/ balances within the Group: (these transactions got eliminated in Restated Consolidated Financial Information) (Continued)*

Rs. in million

Sr. No.	Description of the nature of the transaction	Transactions during			Amount outstanding as at					
		2020-21	2019-20	2018-19	March 31, 2021		March 31, 2020		March 31, 2019	
					Receivable	Payable	Receivable	Payable	Receivable	Payable
14)	**Unwinding of discount on rent deposit**									
	Gennova Biopharmaceuticals Limited	1.42	1.27	1.59	-	-	-	-	-	-
	Zuventus Healthcare Limited	0.15	0.09	0.08	-	-	-	-	-	-
15)	**Reimbursement of expenses made**									
	Heritage Pharma Labs Inc.	1.80	22.44	28.55	-	1.83	-	11.24	-	0.75
	Heritage Pharmaceuticals Inc.	100.25	188.38	28.65	-	98.83	-	188.38	-	-
	Marcan Pharmaceuticals Inc.	11.96	4.21	1.53	-	13.95	-	2.28	-	0.11
	Tillomed Laboratories Limited	-	-	2.49	-	-	-	-	-	1.74
16)	**Reimbursement of expenses received**									
	Heritage Pharma Labs Inc.	68.42	69.62	27.32	167.56	-	96.94	-	27.32	-
	Tillomed Italia S.R.L	11.39	4.58	1.33	7.98	-	5.91	-	1.33	-
	Tillomed Pharma GmbH	18.57	4.27	2.92	4.58	-	7.31	-	3.03	-
	Emcure Pharmaceuticals Mena FZ-LLC.	2.60	0.27	1.62	7.51	-	5.13	-	4.87	-
	Heritage Pharma Holdings Inc.	92.75	88.93	32.20	188.34	-	107.15	-	34.52	-
	Emcure Pharma UK Ltd.	-	0.42	4.54	-	-	-	-	0.14	-
	Heritage Pharmaceuticals Inc.	39.79	27.47	238.64	40.02	-	0.03	-	37.28	-
	Tillomed Laboratories Limited	93.59	24.71	62.55	272.31	-	139.36	-	114.65	-
	Laboratorios Tillomed Spain S.L.U.	11.70	5.11	3.52	7.08	-	4.26	-	3.37	-
	Tillomed France SAS	3.37	1.48	0.03	1.67	-	0.90	-	0.03	-
	Marcan Pharmaceuticals Inc.	12.84	4.74	7.15	18.05	-	5.58	-	0.84	-
	Avet Lifesciences Limited	0.52	-	-	-	-	-	-	-	-
	Emcure Pharma Chile SpA	0.63	-	-	0.63	-	-	-	-	-
17)	**Dividend received**									
	Zuventus Healthcare Limited	159.60	303.24	71.82	-	-	-	-	-	-
18)	**Rent income**									
	Zuventus Healthcare Limited	9.35	8.99	8.50	-	-	-	-	-	-
	Gennova Biopharmaceuticals Limited	33.26	32.41	31.80	-	-	-	-	-	-
19)	**Amortisation of financial guarantee liability**									
	Marcan Pharmaceuticals Inc.	20.25	20.31	20.25	-	32.07	-	52.25	-	72.56
20)	**Financial guarantee fees charged**									
	Gennova Biopharmaceuticals Limited	1.70	2.25	3.55	-	-	-	-	-	-
	Heritage Pharma Holdings Inc.	69.07	75.05	57.23	201.35	-	132.28	-	57.23	-
	Emcure Pharma UK Ltd.	0.94	5.64	5.35	7.06	-	5.64	-	1.35	-
	Marcan Pharmaceuticals Inc.	4.48	3.57	2.04	9.12	-	4.08	-	0.51	-
	Emcure Pharmaceuticals Mena FZ-LLC.	1.58	1.64	1.50	6.11	-	4.32	-	2.69	-
	Tillomed Laboratories Limited	4.84	-	-	4.99	-	-	-	-	-
21)	**Redemption of Preference Shares**									
	Gennova Biopharmaceuticals Limited	-	100.00	-	-	-	-	-	-	-
22)	**Net changes in fair value of preference shares**									
	Gennova Biopharmaceuticals Limited	-	19.09	16.49	-	-	-	-	-	-
23)	**Marketing Support Fees (classified under Advertisement & Promotional Material)**									
	Emcure Pharmaceuticals Mena FZ-LLC.	24.80	11.59	30.45	-	9.62	-	59.05	-	54.32
	Emcure Nigeria Limited	4.94	3.66	3.92	-	3.46	-	3.79	-	2.24
	Emcure Pharma Peru S.A.C.	-	38.19	27.37	-	-	-	35.09	-	-
	Emcure Pharma Mexico S.A. DE C.V.	20.42	16.71	23.55	-	7.27	-	7.64	-	5.59
	Emcure Brasil Farmaceutica Ltda.	17.30	43.27	40.00	-	13.80	-	14.14	-	8.89
	Emcure Pharmaceuticals Pty Ltd.	14.21	32.18	23.26	-	12.31	-	15.25	-	12.18
	Heritage Pharmaceuticals Inc.	-	-	-	-	-	-	-	-	-
	Emcure NZ Limited	3.13	62.85	28.58	-	1.00	-	0.50	-	14.85
	Emcure Pharma Chile SpA	2.42	-	-	-	2.47	-	-	-	-
24)	**Corporate Overhead Cross Charge (Income) (classified under other income)**									
	Heritage Pharmaceuticals Inc.	73.52	-	-	71.54	-	-	-	-	-
	Marcan Pharmaceuticals Inc.	37.47	-	-	35.42	-	-	-	-	-
	Tillomed Laboratories Limited	61.28	-	-	42.24	-	-	-	-	-
25)	**Corporate Overhead Cross Charge (Expense)**									
	Heritage Pharmaceuticals Inc.	73.59	-	-	-	17.63	-	-	-	-
	Hacco Pharma Inc.	69.20	-	-	-	69.20	-	-	-	-
26)	**Financial guarantee fees paid (classified under other borrowing costs)**									
	Zuventus Healthcare Limited	4.06	-	-	-	-	-	-	-	-
27)	**Accrued interest balance written-off (classified under other borrowing costs)**									
	Emcure Pharmaceuticals South Africa (Pty) Ltd	16.68	-	-	-	-	-	-	-	-
28)	**Revenue recognised in retained earnings in accordance with Ind AS 115**									
	Heritage Pharmaceuticals Inc.	-	-	1,605.28	-	-	-	-	-	-
	Emcure Pharma UK Ltd.	-	-	866.93	-	-	-	-	-	-
	Tillomed Laboratories Limited	-	-	91.39	-	-	-	-	-	-
	Tillomed Pharma GmbH	-	-	50.40	-	-	-	-	-	-
	Tillomed Italia S.R.L	-	-	20.80	-	-	-	-	-	-
	Laboratorios Tillomed Spain S.L.U.	-	-	1.29	-	-	-	-	-	-
	Marcan Pharmaceuticals Inc.	-	-	20.88	-	-	-	-	-	-

*** As per Schedule VI (Para 11(I)(A)(i)(g)) of ICDR Regulations**

Note 49 : Post-Employment Benefits:

a) ***Defined contribution plans***

The Group has certain defined contribution plans. Contributions are made as per local regulations. The contributions are made to registered provident fund/pension fund/other fund administered by the government. The obligation of the holding company and two of its Indian subsidiaries are limited to the amount contributed and it has no further contractual nor any constructive obligation.

Defined contribution plans: The group has recognised the following amount in the Statement of Profit and Loss for the year

Rs. in million

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
i) Contribution to employees provident fund	229.82	221.81	196.65
ii) Contribution to employees family pension fund	129.15	131.69	114.00
iii) Contribution to Canada pension plan	5.57	5.27	3.40
iv) Contribution to defined contribution plan (401K)	48.85	44.15	40.47
v) Contribution to national insurance contributions	30.51	19.63	32.27
vi) Other defined Contribution plans	240.30	240.51	189.60
Total	**684.20**	**663.06**	**576.39**

b) ***Post-employment obligations***

Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Group makes contributions to recognised funds in India. The Group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

c) Defined benefit plans

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Rs. in million

Particulars	Present Value of Obligation	Fair Value of Plan assets	Total
As at April 1, 2018	**575.13**	**(446.78)**	**128.35**
Current service cost	101.06	-	101.06
Interest expenses/(income)	39.88	(36.05)	3.83
Others	-	5.07	5.07
Transfer In/(Out)	(0.73)	(0.43)	(1.16)
Total amount recognised in statement of profit and loss	**140.21**	**(31.41)**	**108.80**
Remeasurements			
- Return on plan assets, excluding amounts included in interest expense/(income)	-	(2.11)	(2.11)
- Defined benefit obligations	16.12	-	16.12
Total amount recognised in other comprehensive income	**16.12**	**(2.11)**	**14.01**
Employer contribution	-	(118.91)	(118.91)
Benefit payments	(57.15)	57.15	-
As at March 31, 2019	**674.31**	**(542.06)**	**132.25**
Current service cost	109.75	-	109.75
Interest expenses/(income)	43.95	(41.50)	2.45
Others	-	5.60	5.60
Transfer In/(Out)	0.54	(0.80)	(0.26)
Total amount recognised in statement of profit and loss	**154.24**	**(36.70)**	**117.54**
Remeasurements			
- Return on plan assets, excluding amounts included in interest expense/(income)	4.57	(2.30)	2.27
- Defined benefit obligations	69.49	(1.39)	68.10
Total amount recognised in other comprehensive income	**74.06**	**(3.69)**	**70.37**
Employer contribution	-	(168.64)	(168.64)
Benefit payments	(90.16)	90.16	-
As at March 31, 2020	**812.45**	**(660.93)**	**151.52**
Current service cost	146.77	-	146.77
Interest expenses/(income)	43.86	(39.34)	4.52
Others	(3.06)	9.39	6.33
Transfer In/(Out)	2.93	(2.54)	0.39
Total amount recognised in statement of profit and loss	**190.50**	**(32.49)**	**158.01**
Remeasurements			
- Return on plan assets, excluding amounts included in	(0.82)	(7.95)	(8.77)
- Defined benefit obligations	(6.53)	(2.70)	(9.23)
Total amount recognised in other comprehensive income	**(7.35)**	**(10.65)**	**(18.00)**
Employer contribution	-	(125.22)	(125.22)
Benefit payments	(81.38)	63.09	(18.29)
As at March 31, 2021	**914.22**	**(766.20)**	**148.02**

Note 49 : Post-Employment Benefits: (continued)

d) The net liability disclosed above relates to funded plans are as follows:

Rs. in million

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Present value of obligation	914.22	812.45	674.31
Fair value of plan assets	(766.20)	(660.93)	(542.06)
Deficit of funded plan	**148.02**	**151.52**	**132.25**

The Group has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one off contributions. The Group intends to continue to contribute the defined benefit plans as per the demand from Life Insurance Corporation (LIC) of India.

Significant estimates: actuarial assumptions and sensitivity

Post-employment benefits (gratuity) - The significant actuarial assumptions were as follows:

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
a) Discount rate	5.4% - 6.6%	5.5% - 6.4%	6.8% - 7.7%
b) Expected rate of return on plan assets	5.5% - 8.0%	6.8% - 7.7%	7.2% - 7.7%
c) Salary escalation rate	7.0% - 8.0%	8% - 10%	8% - 10%

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

e) Sensitivity analysis: The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions

Change in assumption	Increase in assumption			Decrease in assumption		
	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2021	March 31, 2020	March 31, 2019
Discount rate by 1% (March 31, 2020: 1%, March 31, 2019: 1%)	(35.68)	(29.56)	(24.01)	38.93	32.09	26.01
Salary escalation rate by 1% (March 31, 2020: 1%, March 31, 2019: 1%)	29.37	23.51	19.26	(27.46)	(22.08)	(18.10)
Withdrawal rate (March 31, 2020: 1%, March 31, 2019: 1%)	(3.90)	(3.84)	(2.13)	4.24	4.12	2.27

Assumptions regarding future mortality for gratuity benefit is set based on actuarial advice in accordance with published statistics and experience in India.

f) Risk exposure

Through its defined benefit plans, the group is exposed to a number of risks, the most significant of which are detailed:

i) Asset volatility : The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. All assets are maintained with fund managed by LIC of India.

ii) Changes in bond yields: A decrease in bond yields will increase plan liabilities.

iii) Future salary escalation and inflation risk : Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the group is successfully able to neutralize valuation swings caused by interest rate movements. Hence group is encouraged to adopt asset-liability management.

The Group's all assets are maintained in a fund managed by LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years.

g) *Defined benefit liability and employer contributions*

The Group has agreed that it will aim to eliminate the deficit in gratuity plan over the years. Funding levels are assessed by LIC on annual basis and the Group makes contribution as per the instructions received from LIC. The Group compares the expected contribution to the plan as provided by actuary with the instruction from LIC and assesses whether any additional contribution may be required. The Group considers the future expected contribution will not be significantly increased as compared to actual contribution.

Expected contributions to post-employment benefit plans for the year ending March 31, 2022 are Rs. 148.02 million.

The weighted average duration of the defined benefit obligation ranged between 4.41 - 9.40 years (March 31, 2020 - 3.19 - 9.20 years, March 31, 2019 - 3.04 - 9.20 years). The expected maturity analysis of gratuity is as follows:

Rs. In million

Particulars	Less than 1 year	between 1-2 years	between 2-5 years	over 5 years	Total
As at March 31, 2021					
Defined benefit obligation - gratuity	228.00	170.14	450.84	515.01	1,363.99
As at March 31, 2020					
Defined benefit obligation - gratuity	214.00	162.75	404.64	441.86	1,223.25
As at March 31, 2019					
Defined benefit obligation - gratuity	171.05	144.73	349.92	423.09	1,088.79

h) Major plan assets

Rs. in million

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
	Unquoted	Unquoted	Unquoted
Investment funds			
- Insurance funds (LIC Pension and Group Schemes fund)	766.20	660.93	542.06
Total	**766.20**	**660.93**	**542.06**

The category wise details of the plan assets is not available as it's maintained by LIC.

Note 50: Employees stock option plan

As at 31 March 2021, the Company has the following share-based payment arrangement:

Share option plans (equity settled)
"Emcure ESOS 2013": The Board of directors of the holding company ('Board') vide its resolution granted employee stock options as under to the eligible employees under "Emcure ESOS 2013" in compliance with the provisions of the applicable law and rules framed thereunder.

Resolution date	Tranche No	Grant Date	Exercise Price	Total Options Granted
10-Oct-13	Tranche - 01	01-Oct-13	221.25*	22,70,000
14-Mar-16	Tranche - 02	14-Mar-16	508.75	5,80,000
07-Jul-17	Tranche - 03	07-Jul-17	300.00	1,00,000
01-Nov-18	Tranche - 04	01-Nov-18	522.00	8,40,000
01-Dec-18	Tranche - 05	01-Dec-18	522.00	2,40,000
01-Feb-19	Tranche - 06	01-Feb-19	522.00	2,30,000
06-Jun-19	Tranche - 07	06-Jun-19	522.00	6,25,000
08-Nov-19	Tranche - 08	08-Nov-19	580.00	4,55,000
04-Feb-20	Tranche - 09	04-Feb-20	580.00	70,000
22-Jul-20	Tranche - 10	22-Jul-20	620.00	1,80,000
09-Nov-20	Tranche - 11	09-Nov-20	620.00	40,000

**During the year ended March 31, 2016, the holding company had issued bonus shares to its shareholders in the ratio of 3:1. Correspondingly, proportionate adjustment has been made by increasing the number of options granted and reducing exercise price per option. Board of directors vide resolution dated January 29, 2016 have approved the adjustments to options granted.*

The eligible employees, including directors, are determined by the Remuneration Committee of the holding Company ('Remuneration Committee') from time to time. These options will vest over period of 3 to 5 years from the grant date and are subject to the condition of continued service of the employees.

Once vested the option can be exercised within 5 years from date of Initial Public Offer (IPO). The exercise price of the options is equal to fair market value of the shares as determined by an independent valuer as at grant dates. If IPO does not take place or shares are not listed within 2 years from the date of grant, Remuneration committee at its sole discretion, subject to prior approval of the holding Company's shareholders' can settle the vested options in cash or allow exercise of option before listing at a price arrived at by an independent valuer. However, no options have been allowed to be exercised till March 31, 2021.

Options granted under this scheme carry no dividend or voting rights. When exercised, one option is convertible into one equity share.

Movement of the options granted under the plan is as below:

March 31, 2019	Grant Date	Opening balance as on April 1, 2018	Grant during the year	Cancelled during the year	Exercised during the year	Closing balance as on March 31, 2019	Exercisable	Excise Price
Tranche - 01	01-Oct-13	16,00,000	-	(2,00,000)	-	14,00,000	-	221.25
Tranche - 02	14-Mar-16	5,80,000	-	(4,60,000)	-	1,20,000	-	508.75
Tranche - 03	07-Jul-17	1,00,000	-	-	-	1,00,000	-	300.00
Tranche - 04	01-Nov-18	-	8,40,000	-	-	8,40,000	-	522.00
Tranche - 05	01-Dec-18	-	2,40,000	-	-	2,40,000	-	522.00
Tranche - 06	01-Feb-19	-	2,30,000	-	-	2,30,000	-	522.00
Total/ Weighted average exercise price		**22,80,000**	**13,10,000**	**(6,60,000)**	**-**	**29,30,000**		**370.18**

March 31, 2020	Grant Date	Opening balance as on April 1, 2019	Grant during the year	Cancelled during the year	Exercised during the year	Closing balance as on March 31, 2020	Exercisable	Excise Price
Tranche - 01	01-Oct-13	14,00,000	-	(1,90,000)	-	12,10,000	-	221.25
Tranche - 02	14-Mar-16	1,20,000	-	(60,000)	-	60,000	-	508.75
Tranche - 03	07-Jul-17	1,00,000	-	(1,00,000)	-	-	-	300.00
Tranche - 04	01-Nov-18	8,40,000	-	-	-	8,40,000	-	522.00
Tranche - 05	01-Dec-18	2,40,000	-	-	-	2,40,000	-	522.00
Tranche - 06	01-Feb-19	2,30,000	-	(90,000)	-	1,40,000	-	522.00
Tranche - 07	06-Jun-19	-	6,25,000	-	-	6,25,000	-	522.00
Tranche - 08	08-Nov-19	-	4,55,000	-	-	4,55,000	-	580.00
Tranche - 09	04-Feb-20	-	70,000	-	-	70,000	-	580.00
Total/ Weighted average exercise price		**29,30,000**	**11,50,000**	**(4,40,000)**	**-**	**36,40,000**		**430.17**

March 31, 2021	Grant Date	Opening balance as on April 1, 2020	Grant during the year	Cancelled during the year	Exercised during the year	Closing balance as on March 31, 2021	Exercisable	Excise Price
Tranche - 01	01-Oct-13	12,10,000	-	(3,10,000)	-	9,00,000	-	221.25
Tranche - 02	14-Mar-16	60,000	-	-	-	60,000	-	508.75
Tranche - 04	01-Nov-18	8,40,000	-	(8,40,000)	-	-	-	522.00
Tranche - 05	01-Dec-18	2,40,000	-	(2,40,000)	-	-	-	522.00
Tranche - 06	01-Feb-19	1,40,000	-	(1,10,000)	-	30,000	-	522.00
Tranche - 07	06-Jun-19	6,25,000	-	(4,95,000)	-	1,30,000	-	522.00
Tranche - 08	08-Nov-19	4,55,000	-	(2,70,000)	-	1,85,000	-	580.00
Tranche - 09	04-Feb-20	70,000	-	-	-	70,000	-	580.00
Tranche - 10	22-Jul-20	-	1,80,000	-	-	1,80,000	-	620.00
Tranche - 11	09-Nov-20	-	40,000	-	-	40,000	-	620.00
Total/ Weighted average exercise price		**36,40,000**	**2,20,000**	**(22,65,000)**	**-**	**15,95,000**		**374.59**

*ESOP's cancelled during the year ended March 31, 2021 include 1,815,000 options cancelled due to the proposed Composite Scheme of arrangement as referred in note 60 of the financial statements with mutual agreeable terms and conditions with employees.

Note 50: Employees stock option plan (continued)

No options have expired or exercised during the periods covered in the above table.

Weighted average remaining contractual life of options as at year end is 7.17 Years (March 31, 2020 : 7.09 Years, March 31, 2019 : 7.09 Years)

Fair value of equity settled share based payment arrangements:

2,20,000 employee stock options were granted during the year ended March 31, 2021. The fair value as at grant date is determined using the Black Scholes Merton Model which takes into account the exercise price, term of option, share price at grant date, expected price volatility of underlying share, expected dividend yield and risk free interest rate for the term of option.

The model inputs for options granted during the year ended March 31, 2021 included:

Sr.	Particulars	Tranche - 10	Tranche - 11
a.	Options granted	1,80,000	40,000
b.	Exercise Price Rs.	620.00	620.00
c.	Share Price at grant date	620.00	620.00
d.	Date of grant	22-Jul-20	09-Nov-20
e.	Expected price volatility of the company`s shares	33.93%	34.21%
f.	Expected dividend yield	1.00%	1.00%
g.	Risk free interest rate	3.92%	4.32%
h.	Expected life of options	3.14	3.08

The model inputs for options granted during the year ended March 31, 2020 included:

Sr.	Particulars	Tranche 7	Tranche 8	Tranche 9
a.	Options granted	6,25,000	4,55,000	70,000
b.	Exercise Price Rs.	522.00	580.00	580.0
c.	Share Price at grant date	522.00	580.00	580.0
d.	Date of grant	06-Jun-19	08-Nov-19	04-Feb-20
e.	Expected price volatility of the company`s shares	29.8% - 29.9%	29.7% - 30.3%	29.80%
f.	Expected dividend yield	1.00%	1.00%	1.00%
g.	Risk free interest rate	6.84%	6.18%	6.31%
h.	Expected life of options	2.88 - 3.53	2.60 - 3.36	3.26

The model inputs for options granted during the year ended March 31, 2019 included:

Sr.	Particulars	Tranche 4	Tranche 5	Tranche 6a	Tranche 6b	Tranche 6c
a.	Options granted	8,40,000	2,40,000	1,80,000	20,000	30,000
b.	Exercise Price Rs.	522.0	522.0	522.0	522.0	522.0
c.	Share Price at grant date	522.0	522.0	522.0	522.0	522.0
d.	Date of grant	01-Nov-18	01-Dec-18	01-Feb-19	01-Feb-19	01-Feb-19
e.	Expected price volatility of the company`s shares	30.02%	30.11%	30.28%	30.28%	30.28%
f.	Expected dividend yield	1.00%	1.00%	1.00%	1.00%	1.00%
g.	Risk free interest rate	7.67%	7.42%	7.13%	7.13%	7.13%
h.	Expected life of options	2.51	2.56	2.44	2.41	3.27

Volatility is a measure of the movement in the prices of the underlying assets. Since the Company is an unlisted Company, volatility of similar listed entities has been considered. Expected volatility has been based on an evaluation of the historical volatility of the similar listed entities (peers) share price, particularly over the historical period commensurate with the expected term. The expected term of the instrument has been based on historical experience and general option holder behaviour.

Expenses recognised in statement of profit and loss:

Rs. in million

Particulars	31-Mar-21	31-Mar-20	31-Mar-19
Employee share-based payment	63.48	144.19	52.87

Note 51 : - Stock appreciation rights

The Group through its step down subsidiary, Heritage Pharmaceuticals Inc ("Heritage") had entered into Stock Appreciation Rights Agreement (the "Plan") with certain employees to grant stock appreciation rights (SARs) under a stock incentive plan.

The stock appreciation rights have been considered as cash settled options and classified as a liability.

Heritage, vide board resolution passed on April 26, 2019 decided to cease issuing new SAR awards under the SAR plan and to settle, resolve, discharge any vested awards that were previously issued under the SAR plan to current or former employees, advisors or consultants that remain open and unpaid as of the date thereof. It has also been resolved that on settlement and discharge of all open SAR awards, Heritage will terminate and wind up the SAR plan.

As on March 31, 2021, Heritage is carrying SAR provision of US$1.25 Million (Rs. 91.23 Million) (towards erstwhile employee who has left the organisation) which was freezed as on the date the employee left the organisation.

As on March 31, 2020, The liability for SARs granted to current employees was estimated at US$ 0.16 Million (Rs. 12.11 Million). In addition to this, Heritage was carrying SAR provision of US$1.25 Million (Rs. 94.41 Million) (towards erstwhile employee who has left the organisation) which was freezed as on the date the employee left the organisation.

As on March 31, 2019, SARs were out of money (except SARs which are granted at 2011 baseline). The liability for SARs granted to current employees was estimated at US$ 0.29 Million (Rs. 20.4 Million).In addition to this, Heritage was carrying SAR provision of US$1.25 Million (Rs. 87.8 Million) (towards erstwhile employee who has left the organisation) which was freezed as on the date the employee left the organisation.

During the year ended March 31, 2019, the SAR liability was reduced by US$ 17.72 million (Rs. 1,238.52 Million) of which US$ 14.23 million (Rs. 994.28 Million) was related to SAR liability written back for former executives pursuant to settlement agreement entered with such executives as per which the group's liability for the amount pertaining to the vested SARs ceased subsequent to the year ended March 31, 2019 (also disclosed in exceptional items -refer note 36). Further SAR liability amounting to US$ 3.49 Million (Rs. 244.24) reduced on account of changes in fair value of the SAR as at March 31, 2019 vis-a-vis that as at March 31, 2018.

Note no. 52 - Impairment assessment for goodwill

Goodwill is tested for impairment on an annual basis. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to a the Group's Cash Generating Unit (CGU) or groups of CGUs expected to benefit from the synergies arising from the business combinations. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Goodwill acquired through business combinations with indefinite lives has been allocated to the following CGU's:

Rs. in million

Name of the entities	March 31, 2021	March 31, 2020	March 31, 2019
Goodwill on Consolidation:			
Heritage Pharma Holdings Inc	963.52	997.20	927.48
Heritage Pharmaceuticals Inc	460.56	476.66	443.33
Tillomed Laboratories Limited, UK	203.96	190.06	187.56
Emcure Nigeria Limited	0.27	0.29	0.27
Emcure Pharmaceuticals Mena FZ LLC	0.20	0.20	0.20
Tillomed GmbH, Germany	35.93	33.49	32.85
Emcure NZ Limited, New Zealand	-	-	39.83
Sub-total	**1,664.44**	**1,697.90**	**1,631.52**
Goodwill acquired separately in			
Heritage Pharma Holdings Inc	605.87	627.05	583.21
Marcan Pharmaceuticals Inc.	1,704.46	1,566.95	1,545.68
Sub-Total	**2,310.33**	**2,194.00**	**2,128.89**
Total	**3,974.77**	**3,891.90**	**3,760.41**

Goodwill movement	March 31, 2021	March 31, 2020	March 31, 2019
Opening balance	3,891.90	3,760.41	3,555.20
Impact of foreign currency translation	82.87	171.32	214.51
Impairment during the year	-	(39.83)	(9.30)
Closing balance	**3,974.77**	**3,891.90**	**3,760.41**

Impairment occurs when the carrying amount of a CGU, including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of CGU is higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of the future cash flows expected to be derived from the CGU.

The carrying amount was computed by allocating the net assets to the CGU for the purpose of impairment testing.

Value-in-use is calculated using after tax assumptions. The use of after tax assumptions does not result in a value-in-use that is materially different from the value-in-use that would result if the calculation was performed using before tax assumptions.

The average range of key assumptions used for calculation of value in use are as follows:

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Long term growth rate	6% -25.3%	9%-17.5%	3%-25%
After tax discount rate	12.67%-13.028%	6.96%-11.00%	7%-12.95%
Terminal growth rate	1%	1%	1%-2%

Based on the above, no impairment was identified as of March 31, 2021, March 31, 2020 and March 31, 2019 as the recoverable value of the CGUs exceeded the carrying value except for the impairment loss recognised on the goodwill pertaining to subsidiary in New Zealand (forming part of "Other continents" segment) aggregating to Rs. 39.83 million for year ended 31 March 2020 (March 31, 2019 : Rs. 9.30 million). An analysis of the calculation's sensitivity to a change in the key parameters (revenue growth, operating margin, discount rate and long-term growth rate) based on reasonably probable assumptions, did not identify any probable scenarios where the recoverable amount of the CGU would fall below the respective carrying amounts of non financials assets.

The cash flow projections for the New Zealand CGU were prepared based on specific estimates developed using internal forecasts. Considering the value in use of cash generating unit based on the internal forecasts was less than the carrying amount of the CGU, hence the Goodwill pertaining to the same was impaired

EMCURE PHARMACEUTICALS LIMITED
Annexure V- Notes to the restated consolidated financial statements (continued)

Note 53 : - Revenue from operations

Rs. in million

Particulars	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Revenue recognised from contracts with customers	60,067.19	50,048.34	46,692.60
Other operating revenue	496.96	437.20	479.23
Disaggregation of revenue			
Based on markets			
Within India	24,766.02	22,918.31	20,478.49
Outside India -			
a. Europe	7,383.14	6,069.00	5,660.54
b. North America	17,122.83	15,784.83	15,551.56
c. Other continents	11,292.16	5,713.40	5,481.24
Total	**60,564.15**	**50,485.54**	**47,171.83**
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	50.36	99.07	136.32

A) There is no significant change in the contract liabilities.

B) The Group satisfies its performance obligations pertaining to the sale of goods at point in time when the control of goods is actually transferred to the customers. No significant judgment is involved in evaluating when a customer obtains control of promised goods. The contract with customers are generally fixed price contract subject to refund due to returns or chargeback claims and do not contain any financing component. The payment is generally due within 7-180 days. The Group is obliged for returns/refunds due to expiry, saleable returns and chargeback claims. There are no other significant obligations attached in the contract with customer.

C) There is no significant judgement involved in ascertaining the timing of satisfaction of performance obligation and in evaluating when a customer obtains control of promised goods. Transaction price ascertained for the performance obligation of the Group is agreed in the contract with the customer, which also include variable consideration.

D) Reconciliation of contract price with revenue recognised in statement of profit and loss:

Rs. in million

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Contract price	**94,940.55**	**82,084.56**	**83,954.80**
Less:			
Chargebacks claims	(32,919.83)	(30,333.49)	(35,590.57)
Amount recognised as sales returns & breakage expiry	(1,938.40)	(1,678.03)	(1,671.63)
Allowance for interest loss	(15.13)	(24.70)	-
Revenue recognised in statement of profit and loss	**60,067.19**	**50,048.34**	**46,692.60**

Note 54 : - Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Rs. in million

Particulars	Note	March 31, 2021	March 31, 2020	March 31, 2019
Current				
Financial assets				
Cash and cash equivalents	12	3,800.15	1,110.48	748.63
Bank balances other than above	13	399.51	109.91	128.42
Trade receivables	11	12,178.46	10,104.84	8,369.22
Other financial assets	14	90.93	43.64	6.11
Non-financial assets				
Inventories	10	13,577.43	11,287.45	10,943.95
Other current assets	15	1,525.80	402.81	304.77
Total current assets pledged as security		**31,572.28**	**23,059.13**	**20,501.10**
Non current				
Financial assets				
Deposits with banks	8	71.85	125.81	88.60
Security deposits	7	47.03	44.73	43.15
Property, plant and equipment, Capital work in progress and Intangibles assets and Intangible assets under development	2, 3, 4 & 5	19,256.20	18,938.52	22,088.86
Total non current assets pledged as security		**19,375.08**	**19,109.06**	**22,220.61**
Total assets pledged as security		**50,947.36**	**42,168.19**	**42,721.71**

The group has pledged investment in equity shares of Marcan Pharmaceuticals Inc. and Heritage Pharma Holdings Inc. against the loan obtained by respective subsidiary. At consolidated level these investments are eliminated.

Note 55 : - Additional information required by Schedule III

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (Rs. In million)	As % of consolidated profit or loss	Amount (Rs. In million)	As % of consolidated other comprehensive income	Amount (Rs. In million)	As % of total comprehensive income	Amount (Rs. In million)
Parent								
Emcure Pharmaceuticals Limited								
March 31, 2021	97.2%	23,017.70	100.4%	4,204.75	-687.5%	1.10	100.5%	4,205.85
March 31, 2020	96.5%	19,145.47	174.1%	1,751.99	-6.0%	(20.34)	128.8%	1,731.65
March 31, 2019	93.7%	17,753.30	138.7%	2,814.75	0.3%	1.09	118.9%	2,815.84
Subsidiaries								
Indian								
Gennova Biopharmaceuticals Limited								
March 31, 2021	6.5%	1,532.18	10.0%	417.74	556.3%	(0.89)	10.0%	416.85
March 31, 2020	5.6%	1,114.53	33.2%	333.86	-1.0%	(3.42)	24.6%	330.44
March 31, 2019	4.1%	767.90	6.4%	130.30	0.0%	(0.04)	5.5%	130.26
Zuventus Healthcare Limited								
March 31, 2021	12.7%	3,006.56	19.3%	807.57	-5806.2%	9.29	19.5%	816.86
March 31, 2020	11.9%	2,351.78	48.2%	484.45	-5.1%	(17.40)	34.7%	467.05
March 31, 2019	11.8%	2,240.56	19.8%	401.88	-2.4%	(8.10)	16.6%	393.78
Avet Lifesciences Limited *								
March 31, 2021	0.0%	(0.73)	0.0%	(0.83)	0.0%	-	0.0%	(0.83)
March 31, 2020	0.0%	-	0.0%	-	0.0%	-	0.0%	-
March 31, 2019	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Foreign								
Heritage Pharma Labs Inc.								
March 31, 2021	-13.3%	(3,143.05)	-32.5%	(1,360.75)	0	-	-32.5%	(1,360.75)
March 31, 2020	-9.4%	(1,857.71)	-60.6%	(609.95)	0.0%	-	-45.4%	(609.95)
March 31, 2019	-6.0%	(1,127.73)	-39.8%	(806.86)	0.0%	-	-34.1%	(806.86)
Emcure Nigeria Limited								
March 31, 2021	-0.4%	(102.79)	0.4%	14.76	0.0%	-	0.4%	14.76
March 31, 2020	-0.6%	(126.52)	-1.8%	(17.64)	0.0%	-	-1.3%	(17.64)
March 31, 2019	-0.6%	(113.75)	-0.9%	(17.86)	0.0%	-	-0.8%	(17.86)
Emcure Pharmaceuticals Mena FZ LLC.								
March 31, 2021	-0.3%	(75.85)	0.5%	20.50	0.0%	-	0.5%	20.50
March 31, 2020	-2.1%	(426.16)	0.6%	6.22	0.0%	-	0.5%	6.22
March 31, 2019	-2.1%	(406.78)	2.4%	49.30	0.0%	-	2.1%	49.30
Emcure Pharmaceuticals South Africa (Pty)								
March 31, 2021	0.5%	118.51	2.9%	119.74	0.0%	-	2.9%	119.74
March 31, 2020	-0.8%	(154.36)	-9.0%	(90.88)	0.0%	-	-6.8%	(90.88)
March 31, 2019	-0.6%	(112.44)	-0.3%	(5.66)	0.0%	-	-0.2%	(5.66)
Emcure Brasil Farmaceutica Ltda								
March 31, 2021	-0.5%	(112.65)	0.1%	2.50	0.0%	-	0.1%	2.50
March 31, 2020	-0.7%	(130.75)	-7.9%	(79.04)	0.0%	-	-5.9%	(79.04)
March 31, 2019	-0.6%	(109.60)	-3.5%	(70.42)	0.0%	-	-3.0%	(70.42)
Heritage Pharma Holdings Inc.								
March 31, 2021	-15.2%	(3,592.02)	5.8%	242.61	0.0%	-	5.8%	242.61
March 31, 2020	-27.8%	(5,515.00)	88.0%	885.85	0.0%	-	65.9%	885.85
March 31, 2019	-33.2%	(6,283.69)	-8.2%	(165.99)	0.0%	-	-7.0%	(165.99)
Heritage Pharmaceuticals Inc								
March 31, 2021	38.8%	9,189.80	-28.2%	(1,181.34)	0.0%	-	-28.2%	(1,181.34)
March 31, 2020	54.7%	10,858.32	-151.3%	(1,522.45)	0.0%	-	-113.2%	(1,522.45)
March 31, 2019	60.7%	11,505.80	6.4%	129.40	0.0%	-	5.5%	129.40
Emcure Pharma UK Ltd								
March 31, 2021	15.0%	3,558.21	-0.1%	(6.07)	0.0%	-	-0.1%	(6.07)
March 31, 2020	7.8%	1,545.13	1.1%	11.23	0.0%	-	0.8%	11.23
March 31, 2019	4.8%	909.11	4.4%	88.48	0.0%	-	3.7%	88.48
Tillomed Pharma GmbH								
March 31, 2021	1.7%	408.77	-1.6%	(66.12)	0.0%	-	-1.6%	(66.12)
March 31, 2020	1.5%	293.88	-8.3%	(83.11)	0.0%	-	-6.2%	(83.11)
March 31, 2019	1.9%	361.41	-1.2%	(25.11)	0.0%	-	-1.1%	(25.11)
Tillomed Laboratories Ltd *****								
March 31, 2021	12.9%	3,044.31	7.2%	303.06	0.0%	-	7.2%	303.06
March 31, 2020	2.9%	583.50	2.1%	21.32	0.0%	-	1.6%	21.32
March 31, 2019	2.9%	547.46	-9.6%	(194.83)	0.0%	-	-8.2%	(194.83)
Emcure Pharma Peru S.A.C.								
March 31, 2021	-0.1%	(17.61)	-0.8%	(34.59)	0.0%	-	-0.8%	(34.59)
March 31, 2020	-0.1%	(27.35)	-0.4%	(3.56)	0.0%	-	-0.3%	(3.56)
March 31, 2019	-0.1%	(22.38)	-0.2%	(3.46)	0.0%	-	-0.1%	(3.46)

EMCURE PHARMACEUTICALS LIMITED
Annexure V- Notes to the restated consolidated financial statements (continued)
For the year ended March 31, 2021

Note 55 : - Additional information required by Schedule III (continued)

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (Rs. In million)	As % of consolidated profit or loss	Amount (Rs. In million)	As % of consolidated other comprehensive income	Amount (Rs. In million)	As % of total comprehensive income	Amount (Rs. In million)
Emcure Pharma Mexico S.A. DE C.V.								
March 31, 2021	-0.3%	(68.79)	0.4%	14.77	0.0%	-	0.4%	14.77
March 31, 2020	-0.4%	(73.99)	-3.9%	(39.18)	0.0%	-	-2.9%	(39.18)
March 31, 2019	-0.3%	(53.32)	-0.8%	(15.58)	0.0%	-	-0.7%	(15.58)
Marcan Pharmaceuticals Inc.								
March 31, 2021	0.4%	96.10	11.8%	492.61	0.0%	-	11.8%	492.61
March 31, 2020	-5.0%	(993.16)	-6.4%	(64.60)	0.0%	-	-4.8%	(64.60)
March 31, 2019	-4.8%	(916.85)	-17.4%	(354.14)	0.0%	-	-15.0%	(354.14)
Emcure Pharmaceuticals Pty Ltd								
March 31, 2021	0.1%	16.35	0.0%	(1.37)	0.0%	-	0.0%	(1.37)
March 31, 2020	0.1%	14.81	-3.0%	(30.64)	0.0%	-	-2.3%	(30.64)
March 31, 2019	0.3%	48.32	-0.3%	(5.99)	0.0%	-	-0.3%	(5.99)
Laboratories Tillomed Spain S.L.U.								
March 31, 2021	0.2%	49.34	0.0%	(0.05)	0.0%	-	0.0%	(0.05)
March 31, 2020	0.2%	47.94	0.9%	9.14	0.0%	-	0.7%	9.14
March 31, 2019	0.2%	36.36	0.8%	15.64	0.0%	-	0.7%	15.64
Tillomed Italia S.R.L.								
March 31, 2021	0.2%	48.77	-1.2%	(50.29)	0.0%	-	-1.2%	(50.29)
March 31, 2020	0.3%	53.31	-4.9%	(49.64)	0.0%	-	-3.7%	(49.64)
March 31, 2019	0.2%	39.45	-3.2%	(64.66)	0.0%	-	-2.7%	(64.66)
Emcure NZ Limited								
March 31, 2021	0.0%	1.72	0.0%	0.18	0.0%	-	0.0%	0.18
March 31, 2020	0.0%	(4.32)	0.5%	4.64	0.0%	-	0.3%	4.64
March 31, 2019	0.0%	(9.12)	0.0%	0.19	0.0%	-	0.0%	0.19
Tillomed France SAS *****								
March 31, 2021	0.2%	43.94	0.3%	11.82	0.0%	-	0.3%	11.82
March 31, 2020	0.2%	31.29	1.3%	13.08	0.0%	-	1.0%	13.08
March 31, 2019	0.1%	16.42	-0.1%	(2.50)	0.0%	-	-0.1%	(2.50)
HACCO Pharma Inc. *******								
March 31, 2021	0.0%	6.30	0.2%	6.39	0.0%	-	0.2%	6.39
March 31, 2020	0.0%	-	0.0%	-	0.0%	-	0.0%	-
March 31, 2019	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Tillomed Laboratories BV **								
March 31, 2021	0.0%	-	0.0%	-	0.0%	-	0.0%	-
March 31, 2020	0.0%	-	0.0%	-	0.0%	-	0.0%	-
March 31, 2019	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Emcure Pharma Chile SpA ***								
March 31, 2021	0.0%	2.99	0.0%	(0.72)	0.0%	-	0.0%	(0.72)
March 31, 2020	0.0%	-	0.0%	-	0.0%	-	0.0%	-
March 31, 2019	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Lazor Pharmaceuticals Limited ****								
March 31, 2021	0.0%	-	0.0%	-	0.0%	-	0.0%	-
March 31, 2020	0.0%	-	0.0%	-	0.0%	-	0.0%	-
March 31, 2019	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Non controlling Interest in all subsidiaries								
March 31, 2021	4.0%	949.92	6.3%	264.47	-1412.5%	2.26	6.4%	266.73
March 31, 2020	3.6%	724.14	16.9%	170.03	-1.5%	(4.93)	12.3%	165.10
March 31, 2019	3.4%	648.46	6.7%	136.71	-0.6%	(2.08)	5.7%	134.63
Elimination/adjustment for consolidation at group level								
March 31, 2021	-60.4%	(14,297.84)	-0.8%	(35.40)	7450.0%	(11.92)	-1.1%	(47.32)
March 31, 2020	-38.4%	(7,611.10)	-9.4%	(95.02)	113.6%	384.48	21.5%	289.46
March 31, 2019	-35.8%	(6,777.83)	-0.2%	(3.90)	102.7%	347.03	14.5%	343.13
Total								
March 31, 2021	**100.0%**	**23,680.14**	**100.0%**	**4,185.94**	**100.0%**	**(0.16)**	**100.0%**	**4,185.78**
March 31, 2020	**100.0%**	**19,843.68**	**100.0%**	**1,006.10**	**100.0%**	**338.39**	**100.0%**	**1,344.49**
March 31, 2019	**100.0%**	**18,941.07**	**100.0%**	**2,029.68**	**100.0%**	**337.90**	**100.0%**	**2,367.58**

* Avet Lifesciences Ltd. was incorporated on August 26,2020.

** The Group has invested in Tillomed Laboratories BV., A direct subsidiary of Emcure Pharma UK Ltd ., on April 24,2019.

*** Emcure Pharma Chile SpA was incorporated on October 2, 2020.

**** Lazor Pharmaceuticals Limited was incorporated on February 4, 2021.

***** Amount as on 31st March,2019 includes amounts of Tillomed Holdings Limited UK which has been dissolved on April 16, 2019.

****** The Group has invested in Tillomed France SAS, A direct subsidiary of Emcure UK, on May 30, 2018.

******* The Group has invested in HACCO Pharma Inc., A direct subsidiary of Heritage Pharma Holdings Inc., on March 06, 2019.

EMCURE PHARMACEUTICALS LIMITED
Annexure V- Notes to the restated consolidated financial statements (continued)

Note 56 : - Interest in other entities

a) Subsidiaries :

The group's subsidiaries at March 31, 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

All the subsidiaries of the company are engaged in principal business of developing, manufacturing and trading of pharmaceutical products.

Sr No.	Name of subsidiary company	Country of incorporation	Ownership interest held by the group			Ownership interest held by non controlling interests		
			March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2021	March 31, 2020	March 31, 2019
	Direct Subsidiaries:							
1	Gennova Biopharmaceuticals Limited	India	87.95%	87.95%	87.95%	12.05%	12.05%	12.05%
2	Zuventus Healthcare Limited	India	79.58%	79.58%	79.58%	20.42%	20.42%	20.42%
3	Emcure Nigeria Limited	Nigeria	100%	100%	100%	-	-	-
4	Emcure Pharmaceuticals Mena FZ LLC.	UAE	100%	100%	100%	-	-	-
5	Emcure Pharmaceuticals South Africa (Pty) Limited	South Africa	100%	100%	100%	-	-	-
6	Emcure Brasil Farmaceutica Ltda	Brazil	100%	100%	100%	-	-	-
7	Heritage Pharma Holdings Inc.	USA	100%	100%	100%	-	-	-
8	Emcure Pharma UK Ltd	United Kingdom	100%	100%	100%	-	-	-
9	Emcure Pharma Peru S.A.C.	Peru	100%	100%	100%	-	-	-
10	Emcure Pharma Mexico S.A. DE C.V.	Mexico	100%	100%	100%	-	-	-
11	Emcure Pharmaceuticals Pty Ltd	Australia	100%	100%	100%	-	-	-
12	Marcan Pharmaceuticals Inc.	Canada	100%	100%	100%	-	-	-
13	Avet Lifesciences Limited *	India	100%	-	-	-	-	-
14	Emcure Pharma Chile SpA **	Chile	100%	-	-	-	-	-
15	Lazor Pharmaceuticals Limited ***	Kenya	100%	-	-	-	-	-
	Indirect Subsidiaries:							
16	Heritage Pharma Labs Inc.(doing business as Avet Pharmaceuticals Labs Inc)	USA	100%	100%	100%	-	-	-
17	Heritage Pharmaceuticals Inc.(doing business as Avet Pharmaceuticals Inc.)	USA	100%	100%	100%	-	-	-
18	Tillomed Laboratories Ltd	United Kingdom	100%	100%	100%	-	-	-
19	Tillomed Holdings Ltd #	United Kingdom	-	100%	100%	-	-	-
20	Tillomed Pharma GmbH	Germany	100%	100%	100%	-	-	-
21	Laboratories Tillomed Spain S.L.U.	Spain	100%	100%	100%	-	-	-
22	Tillomed Italia S.R.L.	Italy	100%	100%	100%	-	-	-
23	Emcure NZ Limited	New Zealand	100%	100%	100%	-	-	-
24	Tillomed France SAS ##	France	100%	100%	100%	-	-	-
25	HACCO Pharma Inc. ###	USA	100%	100%	100%	-	-	-
26	Tillomed Laboratories BV ****	Netherlands	100%	100%	-	-	-	-

* The Group has invested in Avet Lifesciences Ltd. on August 26,2020.
** Emcure Pharma Chile SpA was incorporated on October 2, 2020.
*** Lazor Pharmaceuticals Limited was incorporated on February 4, 2021.
**** The Group has invested in Tillomed Laboratories BV ., A direct subsidiary of Emcure UK., on April 24,2019.
# Tillomed Holdings Ltd UK has been dissolved subsequently on April 16, 2019.
The Group has invested in Tillomed France SAS, A direct subsidiary of Emcure UK, on May 30, 2018.
The Group has invested in HACCO Pharma Inc., A direct subsidiary of Heritage Pharma Holdings Inc., on March 06, 2019.

b) Non controlling interests :

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Rs. in million

Summarized balance sheet	Gennova Biopharmaceuticals Limited			Zuventus Healthcare Limited		
	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2021	March 31, 2020	March 31, 2019
Ownership interest held by non controlling interests	12.05%	12.05%	12.05%	20.42%	20.42%	20.42%
Current assets	1,741.91	1,124.94	756.02	3,304.16	2,364.99	2,017.14
Current liabilities	1,129.53	572.72	460.25	1,610.45	2,195.67	1,697.71
Net current assets	**612.38**	**552.22**	**295.77**	**1,693.71**	**169.32**	**319.43**
Non-current assets	1,480.98	1,257.25	1,358.47	2,582.34	3,267.79	3,338.19
Non-current liabilities	382.29	573.15	811.74	498.46	482.98	843.21
Net non-current assets	**1,098.69**	**684.10**	**546.73**	**2,083.88**	**2,784.81**	**2,494.98**
Net assets	**1,711.07**	**1,236.32**	**842.50**	**3,777.59**	**2,954.13**	**2,814.41**
Accumulated NCI	178.89	121.79	74.61	771.03	602.35	573.85

Rs. in million

Summarized statement of profit and loss	Gennova Biopharmaceuticals Limited			Zuventus Healthcare Limited		
	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2021	March 31, 2020	March 31, 2019
Revenue	2,578.05	2,108.72	1,815.20	8,120.88	8,231.63	7,488.64
Profit for the Year	475.00	379.58	163.88	1,014.78	608.75	505.01
Other comprehensive income	(1.01)	(3.89)	(0.05)	11.68	(21.87)	(10.17)
Total comprehensive income	**473.99**	**375.69**	**163.83**	**1,026.46**	**586.88**	**494.84**
Total comprehensive income allocated to NCI	57.13	45.25	33.58	209.60	119.85	101.05
Dividends paid to NCI (including dividend distribution tax)	-	-	-	40.95	93.80	22.22

Rs. in million

Summarized cash flow	Gennova Biopharmaceuticals Limited			Zuventus Healthcare Limited		
	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2021	March 31, 2020	March 31, 2019
Cash flows from operating activities	1,019.63	520.61	404.61	1,017.27	926.53	764.05
Cash flows from investing activities	(232.60)	(301.28)	(101.87)	96.08	(161.99)	(248.97)
Cash flows from financing activities	(324.57)	(266.72)	(147.41)	(360.32)	(218.45)	(505.29)
Net Increase/(decrease) in cash & cash equivalents	**462.46**	**(47.39)**	**155.33**	**753.03**	**546.09**	**9.79**

EMCURE PHARMACEUTICALS LIMITED
Annexure V- Notes to the restated consolidated financial statements (continued)

Note 57 : Expenditure on research and development during the year

Revenue expenditure incurred on research and development including in house research & development is Rs. 2,189.16 million (March 31, 2020: Rs. 1,909.22 million, March 31, 2019: Rs. 2,302.19 million). Capital expenditure in relation to acquisition of property, plant and equipment and intangible assets incurred on Research and Development including in house Research and Development is Rs. 84.47 million (March 31, 2020: Rs. 13.05 million, March 31, 2019: Rs. 65.05 million).

Note 58 : Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a corporate social responsibility (CSR) committee has been formed by the holding company and its Indian subsidiaries. The areas for CSR activities are promoting education, healthcare and ensuring environmental sustainability. Amount spent during the year on activities which are specified in Schedule VII of the Companies Act 2013 are as mentioned below :

a) Gross amount of Rs. 80.20 million (March 31, 2020 : Rs. 74.77 million, March 31, 2019: Rs. 76.56 million) required to be spent during the year by the company and its Indian subsidiaries.

b) Amount spent during the year on

Rs. in million

Particulars	Paid	Yet to be paid	Total	Paid	Yet to be paid	Total
	March 31, 2021			March 31, 2020		
(i) Construction/acquisition of any asset	-	-	-	-	-	-
(ii) On purposes as mentioned above	80.91	3.99	84.90	69.72	-	69.72

Particulars	Paid	Yet to be paid	Total
	March 31, 2019		
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes as mentioned above	73.28	-	73.28

Note 59 : The information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Rs. in million

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	-	0.62	6.58
ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	0.07	-
iii) The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprise Development Act, 2006.	-	0.06	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.15	0.22	0.14
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	-	0.22	0.14

Note 60 : Composite Scheme of Arrangement

The Board of Directors of the Holding company, in its meeting held on November 09, 2020, had approved Composite Scheme of Arrangement between Emcure Pharmaceuticals Limited ("Demerged Company") and Avet Lifesciences Limited ("Resulting Company") and their respective shareholders ('Scheme') which was filed before the National Company Law Tribunal ("NCLT"), Mumbai, on November 30, 2020, for demerger of the Holding company's Unites States of America ('US') market business and vesting the same into the Resulting Company, under Sections 230 to 232 read with Section 52, section 66 and other applicable provisions of the Companies Act, 2013. The Joint Petition was filed with NCLT on February 04, 2021. The Composite Scheme of arrangement has been approved by NCLT subsequent to the year ended March 31, 2021 with an effective date of April 01, 2021. Accordingly, the restated consolidated financial statements do not contain any impact of the Composite Scheme of Arrangement.

Note 61 : Government Grant

A) Government grants are related to exemption of basic customs duty on purchase of imported machineries to be used for the manufacturing of products. Gennova Biopharmaceuticals Limited a subsidiary of the company is required to fulfil the export obligation against duty benefit received. Refer note 45B for the details of unfulfilled obligations. Based on past experience, management is confident that it will fulfil conditions attached to the grant received.

B) Gennova Biopharmaceuticals Limited has received a sanction for various Government grants towards research and development expenses for life saving drugs and vaccines. During the year ended March 31, 2021, grant amounting to Rs. 193.25 million (March 31, 2020 : Rs. 6.00 million, March 31, 2019 : Rs. Nil) has been recognised as an other operating income in Profit & Loss account for the eligible expenses incurred towards respective projects, out of which Rs. 114.25 million has been accrued as Government Grant receivable under 'other current financial assets'

C) Gennova Biopharmaceuticals Limited has also received grants amounting to Rs. 245.76 millions for which eligible expenses will be incurred in the next year, accordingly it has been disclosed as Deferred Revenue grants under other current liabilities.

D) Government Grants amounting to Rs. 114.05 million disclosed under other non-current liabilities relates to the amount received to incur capital expenditure for building manufacturing facility. Grant will get offset at the time of incurring capital expenditures for the eligible manufacturing facility.

Note 62 : Consideration payable towards acquisition of subsidiary

The Group acquired 100% equity shares in Marcan Pharmaceuticals Inc., International Pharmaceuticals Generics Ltd. and IPG (2015) vide Asset and Share Purchase Agreement (the "agreement") dated November 8, 2015 (the "acquisition Date") through a special purpose vehicle viz. Emcure Pharmaceuticals Canada Limited.

Immediately following this agreement, on November 9, 2015, all entities above were amalgamated and new entity called Marcan Pharmaceuticals Inc. ("Marcan") was formed, the current operating company. The acquisition was for a total consideration of Rs. 4,619.12 million* (CAD 93 million*). As per the Share Purchase Agreement, there is consideration payable to the selling shareholders of Marcan Pharmaceuticals Inc. in the form of preference shares, based on achievement of specific EBITDA levels of Marcan for the year ended March 31, 2021, or at the option of selling shareholders for the year ended March 31, 2022, limited to a maximum of Rs. 2,384.06 million (CAD 48 Million).

In December 2020, the holders notified their intent not to exercise their option to extend the redemption term by a year and redeem the preferred shares. The shares will be redeemed on July 30, 2021 at the current value of Rs. 2,750.78 (CAD 47.25 Million) (Refer note 24)

*Considering 1 CAD = 49.67 Rupees, the rate as on the date of acquisition

Note 63 : Events occurring after the March 31, 2021

On May 07, 2021, Emcure Pharma Philippines Inc., a direct subsidiary of the Company was incorporated with equity share capital of Pesos 9.68 million (equivalent to Rs. 15.11 million).

Note 64 : Specified bank notes (SBNs)

The disclosures regarding details of specified bank notes held and transacted during November 8, 2016 to December 30 2016 has not been made in these financial statements, since the requirement does not pertain to financial year ended 31 March 2021, 31 March 2020 and 31 March 2019.

Note 65 : GST refund received

The Holding Company and its subsidiary Zuventus Healthcare Limited (ZHL) are entitled to receive subsidy in the form of proportionate refund of GST paid in cash (i.e. other than utilising input credit) by its unit at Jammu for a period not exceeding ten years from the date of start of commercial production at Jammu unit. The subsidy is available upto March 01, 2026. There are no unfulfilled conditions or other contingencies attached to this grant.

Note 66 : Impact of COVID-19 pandemic

In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The group has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. The group has considered internal and external information while finalizing various estimates in relation to its financial statement captions upto the date of approval of the Statements by the Board of Directors. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID -19 situation evolves in India and globally. The group will continue to closely monitor any material changes to future economic conditions.

Note 67 : Code of Social Security

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Indian companies in the group towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stake holders which are under active consideration by the Ministry. The Holding Company and its Indian subsidiaries will assess the impact and complete the evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

Note 68 : Authorisation of Restated Financial information

The restated financial information were approved by the Board of Directors on August 12, 2021

For **B S R & Co. LLP**
Firm Registration: 101248W/W-100022
Chartered Accountants

Abhishek
Partner
Membership No. 062343

Place: Pune
Date: August 12, 2021

For and on behalf of the Board of Directors
Emcure Pharmaceuticals Limited
CIN -U24231PN1981PLC024251

Shreekant Bapat
Director
DIN -00621568

Satish Mehta
Managing Director
DIN -00118691

B Renganathan
Company Secretary
Membership No. F2922

Tajuddin Shaikh
Chief Financial Officer

Place: Pune
Date: August 12, 2021

EMCURE PHARMACEUTICALS LIMITED
Annexure VI - Statement of Adjustments to the Restated Consolidated Financial Information

Summarised below are the restatement adjustments made to the equity of the Audited Consolidated Financial Statements of the Group for the years ended 31 March 2021, 31 March 2020 and 31 March 2019 and their consequential impact on the equity of the Group:

Particulars	Note	March 31, 2021	March 31, 2020	March 31, 2019
A. Total Equity as per Audited Consolidated Financial Statements		**23,680.14**	**19,843.68**	**19,003.69**
B. Adjustment:				
Material restatement Adjustment:				
(i) Audit qualifications		-	-	-
(ii) Adjustments due to prior period items / other adjustments				
Adjustments on account of adoption of Ind AS 116	3	-	-	(80.28)
iii) Deferred tax impact on adjustments in (i) and (ii), as applicable				
Deferred tax impact on restatement adjustments		-	-	17.66
C. Total impact of adjustments (i + ii + iii)		**-**	**-**	**(62.62)**
D. Total equity as per Restated Consolidated Financial Information (A+C)		**23,680.14**	**19,843.68**	**18,941.07**

Summarised below are the restatement adjustments made to the net profit of the audited consolidated financial statements of the Group for the year ended 31 March 2021, 31 March 2020 and 31 March 2019 and their impact on the profit of the Group:

Particulars	Note	March 31, 2021	March 31, 2020	March 31, 2019
A. Net Profit after tax as per Audited Consolidated Financial Statements		**4,185.94**	**1,006.10**	**2,091.91**
B. Adjustment:				
Material restatement Adjustment:				
(i) Audit qualifications		-	-	-
(ii) Adjustments due to prior period items / other adjustments				
Adjustments on account of adoption of Ind AS 116	3	-	-	(79.89)
iii) Deferred tax impact on adjustments in (i) and (ii), as applicable				
Deferred tax impact on restatement adjustments		-	-	17.66
C. Total impact of adjustments (i + ii + iii)		**-**	**-**	**(62.23)**
D. Net Profit after tax as per Restated Consolidated Financial Information (A+C)		**4,185.94**	**1,006.10**	**2,029.68**

1. Adjustments for audit qualification: None

2. Material regrouping:

During the year ended 31 March 2021, the payment on account of settlement of Employee stock options amounting to Rs. 182.12 Million has been inadvertently classified as cash flows from operating activities instead of cash flows from financing activities in the Cash Flow Statement. This inadvertent classification has been restated in the Cash Flow Statement presented in the Restated Consolidated Financial Information for the year ended 31 March 2021. The following table summarises the impact on the Cash Flow Statement:

Particulars	For the year ended 31 March 2021 (as per Audited Consolidated Financial Statements) (In Million)	Adjustment (In Million)	For the year ended 31 March 2021 (as per Restated Consolidated Financial Information) (In Million)
Net cash generated from operating activities	6,862.23	182.12	7,044.35
Net cash used in financing activities	(1,706.92)	(182.12)	(1,889.04)

3. Material restatement adjustments

(a) Recognition of lease liability

A new lease standard i.e., Ind AS 116 has been notified to be effective w.e.f 1 April 2019 which provide guidelines for the accounting of the lease contracts entered in the capacity of a lessee and a lessor.

The Group has entered into various operating lease contacts in the capacity of a lessee and in lines with the accounting principals laid down in Ind AS 116, is required to make the following adjustments:-

The Group is required to recognise a right to use asset and a corresponding lease liability in respect of all the operating leases on the transition date.

The Group shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, incremental borrowing rate shall be substituted

The lease payments included in the measurement of the lease liability comprise the payments for the right to use the underlying asset during the lease term that are not paid at the commencement date and includes the following:

(a) fixed payments (including in-substance fixed payments as described in paragraph B42 of Ind AS 116), less any lease incentives receivable;

(b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date (as described in paragraph 28 of Ind AS 116).

The asset recognised in lines with the provisions of Ind AS 116 is required to be depreciated as per Ind AS 16, Property plant and equipment.

The group has applied 'modified retrospective approach' as mentioned in Ind AS 116 for transitional adjustments. The right of use asset has been initially recognised at an amount equivalent to the lease liability, adjusted by an amount of any accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Hence there was no impact of adopting Ind AS 116 on to the opening balance of retained earnings at 1 April 2018. The Group has applied the practical expedient to grandfather the definition of a lease on transition. This means that it has applied Ind AS 116 to all contracts entered into before 1 April 2018 and identified as leases in accordance with Ind AS 17.

4. Non-adjusting items:

Emphasis of matters in the Auditors' report which do not require any corrective adjustments in the Consolidated Restated Financial Information:

We draw attention to Note 43 to the financial statements which describes the uncertainty related to the ultimate outcome of the Search and Seizure operation conducted by the Income Tax Department. The Group has not received any demand notices in relation to the Search and Seizure as at this date. Management is confident that no taxes will devolve on the Group and hence no provision has been recognised in these financial statements as at 31 March 2021. Though the Group has not received any demand notice till date, the uncertainty in the matter remains till the proceedings are concluded.

Further, the Independent Auditor's report on the standalone financial statements of the Holding Company as well as two of its subsidiaries viz., Zuventus Healthcare Limited and Gennova Biopharma Limited also contain the similar Emphasis of Matter for which no corrective adjustments are required in the Consolidated Restated Financial Information.

The audit opinions are not modified in respect of this matter.

Audit Observations in Annexure to Auditors' Report, which do not require any corrective adjustments in the Restated Consolidated Financial Information:

In addition to the audit opinion on the consolidated financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2016 ("the CARO 2016 Order") issued by the Central Government of India under sub-section (11) of Section 143 of Companies Act, 2013 on the standalone financial statements as at and for the financial years ended 31 March 2019, 31 March 2020 and 31 March 2021 respectively. Certain statements/comments included in the CARO in the standalone financial statements, which do not require any adjustments in the Restated Consolidated Financial Information are reproduced below in respect of the financial statements presented.

EMCURE PHARMACEUTICALS LIMITED
Annexure VI - Statement of Adjustments to the Restated Consolidated Financial Information

Emcure Pharmaceuticals Limited
For the year ended March 31, 2021:
Clause (vii) (b) of CARO 2016 Order
According to the information and explanations given to us, the following dues of Income Tax, Excise Duty, Entry Tax, Value added tax and Central Sales Tax have not been deposited by the company on account of disputes:

Name of statute	Nature of the dues	Period to which the amount relates*	Amount (Rs. In million)	Amounts paid under protest (Rs. In million)	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	AY 2014-15 ***	10.11	-	Income Tax Appellate Tribunal, Pune
The Income Tax Act, 1961	Income Tax	AY 2015-16***	7.54	-	Income Tax Appellate Tribunal, Pune
The Central Excise Act, 1944	Excise Duty	June 2012 to January 2014	1.17	-	Commissioner Appeals CGST
Orissa Entry Tax Act, 1999	Entry Tax	2005-06 and 2006-07	1.15	0.34	Cuttack Sales Tax Tribunal
The Telangana Value Added Tax Act, 2005	Value added tax	June 2014 to March 2016	0.20	0.11	Telangana Appellate Tribunal
The Tamil Nadu Value Added Tax, Act 2006	Value added tax	FY 2014-15	28.65	3.10	Tamil Nadu Sales Tax Appellate Tribunal
The Tamil Nadu Value Added Tax, Act 2006	Value added tax	FY 2015-16	48.46	6.00	Tamil Nadu Sales Tax Appellate Tribunal
The Gujarat Value Added Tax Act, 2003	Value added tax	FY 2017-18	0.09	0.02	Deputy Commissioner (Appeals)
Central Sales Tax Act, 1956	Central Sales Tax	FY 2017-18	0.38	0.08	Deputy Commissioner (Appeals)
Maharashtra Value added Tax Act, 2002	Value added tax	FY 2016-17	19.65	19.65	Joint Commissioner of State Tax
Central Sales Tax Act, 1956	Central Sales Tax	FY 2016-17	1.97	1.97	Joint Commissioner of State Tax
Maharashtra Value added Tax Act, 2002	Value added tax	FY 2017-18	8.03	-	Deputy Commissioner of Sales Tax
Central Sales Tax Act, 1956	Central Sales Tax	FY 2017-18	0.36	-	Deputy Commissioner of Sales Tax

* AY stands for Assessment Year and FY stands for Financial Year
*** Income tax department has gone into appeal against the favourable order of Commissioner of Income Tax (Appeals).

For the year ended March 31, 2020:
Clause (vii) (b) of CARO 2016 Order
According to the information and explanations given to us, the following dues of Income Tax, Excise Duty, Entry Tax, Value added tax and Central Sales Tax have not been deposited by the company on account of disputes:

Name of statute	Nature of the dues	Period to which the amount relates*	Amount (Rs. In million)	Amounts paid under protest (Rs. In million)	Forum where dispute is pending
Orissa Entry Tax Act, 1999	Entry Tax	2005-06 and 2006-07	1.15	0.34	Cuttack Sales Tax Tribunal
The Telangana Value Added Tax Act, 2005	Value added tax	June 2014 to March 2016	0.20	-	Telangana Appellate Tribunal
The Maharashtra Value added Tax Act, 2002 & Central Sales Tax Act 1956	Value added tax and Central Sales tax	FY 2013-14	15.63	15.63	Joint Commissioner of Sales Tax (Appeal), Pune Div., Pune
The Income Tax Act, 1961	Income Tax	AY 2014-15 to AY 2015-16**	17.65	-	Income Tax Appellate Tribunal, Pune
The Income Tax Act, 1961	Income Tax	AY 2010-11 ***	2.59	-	The Hon'ble High Court of Bombay
The Income Tax Act, 1961	Income Tax	AY 2016-17	3.52	-	Commissioner of Income Tax, Pune
The Tamil Nadu Value Added Tax, Act 2006	Value added tax	FY 2014-15	29.91	3.10	Tamil Nadu Sales Tax Appellate Tribunal
The Tamil Nadu Value Added Tax, Act 2006	Value added tax	FY 2015-16	46.60	6.00	Tamil Nadu Sales Tax Appellate Tribunal

* AY stands for Assessment Year and FY stands for Financial Year
** Income tax department has gone into appeal against the favourable order of Commissioner of Income Tax (Appeals).
*** Income tax department has gone into appeal against the favourable order of Income Tax Appellate Tribunal.

For the year ended March 31, 2019:
Clause (vii) (b) of CARO 2016 Order
According to the information and explanations given to us, the following dues of Service Tax, Income Tax, Excise Duty, Entry Tax, Value added tax and Central Sales Tax have not been deposited by the company on account of disputes:

Name of statute	Nature of the dues	Period to which the amount relates*	Amount (Rs. In million)	Amounts paid under protest (Rs. In million)	Forum where dispute is pending
Finance Act, 1994	Service Tax	Oct 2015 to Jun 2017	1.14	-	CCE (Appeals), Pune
Finance Act, 1994	Service Tax	Jul 2012 to Sep 2015	1.86	0.19	CESTAT, Mumbai
Orissa Entry Tax Act, 1999	Entry Tax	FY 2005-06 and FY 2006-07	1.15	0.34	Cuttack Sales Tax Tribunal
The Maharashtra Value added Tax Act, 2002	Value added tax	FY 2011-12	1.80	-	Joint Commissioner of Sales Tax (Appeal), Pune Div., Pune
The Telangana Value Added Tax Act, 2005	Value added tax	June 2014 to March 2016	0.20	-	Telangana Appellate Tribunal
The Maharashtra Value added Tax Act, 2002 & Central Sales Tax Act 1956	Value added tax and Central Sales tax	FY 2013-14	15.63	-	Joint Commissioner of Sales Tax (Appeal), Pune Div., Pune
The Income Tax Act, 1961	Income Tax	AY 2011-12 to AY 2012-13	12.72	-	Income Tax Appellate Tribunal, Pune
The Income Tax Act, 1961	Income Tax	AY 2014-15 to AY 2015-16**	17.65	-	Income Tax Appellate Tribunal, Pune
The Income Tax Act, 1961	Income Tax	AY 2010-11 ***	2.59	-	The Hon'ble High Court of Bombay
The Tamil Nadu Value Added Tax, Act 2006	Value added tax	FY 2014-15	29.91	3.10	The Assistant Commissioner, Central Division, Chennai
The Tamil Nadu Value Added Tax, Act 2006	Value added tax	FY 2015-16	46.60	6.00	The Assistant Commissioner, Central Division, Chennai

* AY stands for Assessment Year and FY stands for Financial Year
** Income tax department has gone into appeal against the favourable order of Commissioner of Income Tax (Appeals).
*** Income tax department has gone into appeal against the favourable order of Income Tax Appellate Tribunal.

EMCURE PHARMACEUTICALS LIMITED
Annexure VI - Statement of Adjustments to the Restated Consolidated Financial Information

Zuventus Healthcare Limited
For the year ended March 31, 2021:
Clause (vii) (b) of CARO 2016 Order
According to the information and explanations given to us, the following dues of Provident Fund, Service Tax, Income Tax and Value added tax have not been deposited by the company on account of disputes:

Name of statute	Nature of the dues	Period to which the amount relates*	Amount (Rs. In million)	Amounts paid under protest (Rs. In million)	Forum where dispute is pending
The Provident Fund Act, 1972	Provident Fund	FY 2010-11	53.62	20.00	High Court, Mumbai
The Tamil Nadu Value Added Tax Act, 2006	Value added tax	FY 2015-16	15.58	2.66	Appellate Deputy Commissioner (CT), Central Div. Chennai
The Maharashtra Value added Tax Act, 2002	Value added tax	FY 2014-15	2.34	-	Jt. Commissioner of Sales Tax, Pune Div., Pune
The Maharashtra Value added Tax Act, 2002	Value added tax	FY 2015-16	3.27	-	Jt. Commissioner of Sales Tax, Pune Div., Pune
The Maharashtra Value added Tax Act, 2002	Value added tax	FY 2016-17	1.67	-	Jt. Commissioner of Sales Tax, Pune Div., Pune
The Maharashtra Value added Tax Act, 2002	Value added tax	FY 2017-18	3.83	-	Jt. Commissioner of Sales Tax, Pune Div., Pune
Finance Act, 1994	Service Tax	FY 2016-17	10.54	-	Office of the Commissioner of Central Goods and Service Tax and Central Excise
The Income Tax Act, 1961	Income tax	AY 2012-13	5.53	5.53 #	Income Tax Appellate Tribunal, Pune
The Income Tax Act, 1961	Income tax	AY 2012-13	97.94	19.59	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income tax	AY 2013-14	0.21	0.21 #	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income tax	AY 2014-15	8.27	8.27 #	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income tax	AY 2016-17	105.40	83.87 #	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income tax	AY 2017-18	71.12	12.71	Commissioner of Income Tax (Appeals)

* FY and AY stand for Financial Year and Assessment Year respectively.
# paid by way of adjustment against income tax refund / minimum alternate tax credit entitlement / in cash.

For the year ended March 31, 2020:
Clause (vii) (b) of CARO 2016 Order
According to the information and explanations given to us, the following dues of Provident Fund, Service Tax, Income Tax and Value added tax have not been deposited by the company on account of disputes:

Name of statute	Nature of the dues	Period to which the amount relates*	Amount (Rs. In million)	Amounts paid under protest (Rs. In million)	Forum where dispute is pending
The Provident Fund Act, 1972	Provident Fund	FY 2010-11	53.62	20.00	High Court, Mumbai
The Tamil Nadu Value Added Tax Act, 2006	Value added tax	FY 2015-16	15.58	2.66	Appellate Deputy Commissioner (CT), Central Div. Chennai
Finance Act, 1994	Service Tax	FY 2016-17	10.54	-	Office of the Commissioner of Central Goods and Service Tax and Central Excise
The Income Tax Act, 1961	Income tax	AY 2012-13	5.53	5.53 #	Income Tax Appellate Tribunal, Pune
The Income Tax Act, 1961	Income tax	AY 2012-13	97.94	19.59	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income tax	AY 2013-14	6.11	6.11#	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income tax	AY 2014-15	8.27	8.27#	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income tax	AY 2016-17	105.40	83.87#	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income tax	AY 2017-18	71.12	12.71	Commissioner of Income Tax (Appeals)

* FY and AY stand for Financial Year and Assessment Year respectively.
# paid by way of adjustment against income tax refund / minimum alternate tax credit entitlement / in cash.

For the year ended March 31, 2019:
Clause (vii) (b) of CARO 2016 Order
According to the information and explanations given to us, the following dues of Provident Fund, Service Tax, Income Tax, Value added tax and Central Sales tax have not been deposited by the company on account of disputes:

Name of statute	Nature of the dues	Period to which the amount relates*	Amount (Rs. In million)	Amounts paid under protest (Rs. In million)	Forum where dispute is pending
The Provident Fund Act, 1972	Provident Fund	FY 2010-11	53.62	20.00	High Court, Mumbai
The Maharashtra Value added Tax Act, 2002	Value added tax	FY 2009-10	0.35	-	Jt. Commissioner of Sales Tax (Appeals), Pune Div., Pune
The Central Sales Tax Act, 1956	Central sales tax	FY 2009-10	0.95	0.05	Jt. Commissioner of Sales Tax (Appeals), Pune Div., Pune
The Central Sales Tax Act, 1956	Central sales tax	FY 2010-11	1.98	0.52	Jt. Commissioner (Appeals)
The Maharashtra Value added Tax Act, 2002	Value added tax	FY 2011-12	1.29	0.15	Jt. Commissioner of Sales Tax (Appeals), Pune Div., Pune
The Tamil Nadu Value Added Tax Act, 2006	Value added tax	FY 2015-16	15.58	2.66	Appellate Deputy Commissioner (CT), Central Div. Chennai
Finance Act, 1994	Service Tax	FY 2016-17	10.54	-	Office of the Commissioner of Central Goods and Service Tax and Central Excise
The Income Tax Act, 1961	Income tax	AY 2012-13	5.53	5.53 #	Income Tax Appellate Tribunal, Pune
The Income Tax Act, 1961	Income tax	AY 2013-14	6.11	6.11#	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income tax	AY 2014-15	8.27	8.27 #	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income tax	AY 2016-17	105.40	83.87 #	Commissioner of Income Tax (Appeals)

* FY and AY stand for Financial Year and Assessment Year respectively.
# paid by way of adjustment against income tax refund / minimum alternate tax credit entitlement / in cash.

EMCURE PHARMACEUTICALS LIMITED
Annexure VI - Statement of Adjustments to the Restated Consolidated Financial Information

Gennova Biopharmaceuticals Limited
For the year ended March 31, 2021:
Clause (vii) (b) of CARO 2016 Order
According to the information and explanations given to us, the following dues of Income Tax and Value added tax have not been deposited by the company on account of disputes:

Name of statute	Nature of the dues	Period to which the amount relates*	Amount (Rs. In million)#	Amounts paid under protest (Rs. In million)	Forum where dispute is pending
Karnataka Value Added Tax Act, 2003	Value added tax	FY 2014-15	2.04	0.61	The Karnataka Appellate Tribunal, Bengaluru
The Income Tax Act, 1961	Income Tax	AY 2017-18	0.21	0.21	Commissioner of Income Tax Appeals, Pune

* AY stands for Assessment Year and FY stands for Financial Year
# Paid by way of adjustment against income tax refund/ minimum alternate tax credit entitlement/ carry forward losses/ in Cash

For the year ended March 31, 2020:
Clause (vii) (b) of CARO 2016 Order
According to the information and explanations given to us, the following dues of Income Tax and Value added tax have not been deposited by the company on account of disputes:

Name of statute	Nature of the dues	Period to which the amount relates*	Amount (Rs. In million)	Amounts paid under protest (Rs. In million)	Forum where dispute is pending
Karnataka Value Added Tax Act, 2003	Value added tax	FY 2014-15	2.04	0.61	Assistant Commissioner of Commercial Tax, Bangalore
Kerala Value Added Tax Act, 2003	Value added tax	FY 2016-17	0.49	-	Assistant Commissioner of Commercial Tax, Ernakulam
West Bengal Value Added Tax Act, 2003	Value added tax	FY 2016-17	1.49	0.18	Senior Joint Commissioner, Kolkata
The Income Tax Act, 1961	Income Tax	AY 2017-18	0.21	0.21#	Commissioner of Income Tax Appeals, Pune

* AY stands for Assessment Year and FY stands for Financial Year
# Paid by way of adjustment against income tax refund/ minimum alternate tax credit entitlement/ carry forward losses/ in Cash

For the year ended March 31, 2019:
Clause (vii) (b) of CARO 2016 Order
According to the information and explanations given to us, the following dues of Service Tax, Income Tax and Value added tax have not been deposited by the company on account of disputes:

Name of statute	Nature of the dues	Period to which the amount relates*	Amount (Rs. In million)	Amounts paid under protest (Rs. In million)	Forum where dispute is pending
Finance Act, 1994	Service Tax	FY 2012-2015	0.04	-	Assistant Commissioner of Central Excise Audit - I Pune Commissionerate
Finance Act, 1994	Service Tax	FY 2015-17	0.07	-	Assistant Commissioner of Central Excise Audit - I Pune Commissionerate
Karnataka Value Added Tax Act, 2003	Value added tax	FY 2014-15	2.04	-	The Commissioner, Appeals, Bangalore
Kerala Value Added Tax Act, 2003	Value added tax	FY 2016-17	0.49	-	The Commissioner, Appeals, Cochin
The Income Tax Act, 1961	Income Tax	AY 2011-12**	3.16	3.16#	Income Tax Appellate Tribunal, Pune
The Income Tax Act, 1961	Income Tax	AY 2012-13 & AY 2013-14	5.78	5.78#	Income Tax Appellate Tribunal, Pune
The Income Tax Act, 1961	Income Tax	AY 2014-15 & AY 2016-17	2.82	2.82#	Commissioner of Income Tax (Appeals)

* AY stands for Assessment Year and FY stands for Financial Year
** Income tax department has gone into appeal against the favourable order of Commissioner of Income Tax (Appeals).
# Paid by way of adjustment against income tax refund/ minimum alternate tax credit entitlement/ carry forward losses/ in Cash

B S R & Co. LLP
Chartered Accountants

8th floor, Business Plaza,
Westin Hotel Campus,
36/3-B, Koregaon Park Annex,
Mundhwa Road, Ghorpadi,
Pune - 411001, India

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INDEPENDENT PRACTITIONER'S ASSURANCE REPORT ON THE COMPILATION OF PROFORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION INCLUDED IN THE DRAFT RED HERRING PROSPECTUS

The Board of Directors,
Emcure Pharmaceuticals Limited,
T-184, MIDC Bhosari,
Pune- 411026

Report on the Compilation of Proforma Condensed Consolidated Financial Information Included in the Draft Red Herring Prospectus ("DRHP").

1. We have completed our assurance engagement to report on the compilation of proforma condensed consolidated financial information of Emcure Pharmaceuticals Limited ("the Company") by the Company's Management. The proforma condensed consolidated financial information consists of the proforma condensed consolidated balance sheet as at March 31, 2021, March 31, 2020 and March 31, 2019, the proforma condensed consolidated statement of profit and loss (including other comprehensive income) for the period ended March 31, 2021, March 31, 2020 and March 31, 2019, and related notes as set out in the DRHP issued by the Company. The applicable criteria on the basis of which the Company's Management has compiled the proforma condensed consolidated financial information are specified in clause (11)(I)(B)(iii) of Part A of Schedule VI Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended to date (the " ICDR Regulations") issued by Securities and Exchange Board of India (the "SEBI") and described in the "Basis of preparation paragraph" in Note 2 to the Proforma Condensed Consolidated Financial Information. Because of its nature, the Proforma Condensed Consolidated Financial Information does not represent the Company's actual financial position and financial information.

2. The proforma condensed consolidated financial information has been compiled by the Company's management to illustrate the impact of the event or transaction as set out in Note 2 of the Proforma Condensed Consolidated Financial Information on the Company's financial position as at March 31, 2021, March 31, 2020 and March 31, 2019 and its financial performance for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 as if the event or transaction had taken place at 1 April 2018 i.e. beginning of the earliest period presented in the Proforma Condensed Consolidated Financial Information.

   As part of this process, information about the Company's financial position and financial performance has been extracted and compiled by the management by placing reliance on the following:

   - the restated consolidated financial information of the Company for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 on which we have expressed an unmodified opinion and an emphasis of matter paragraph in our report dated 12 August 2021;

- the audited consolidated financial statements of the Heritage Pharma Holdings, Inc for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 on which other auditors have expressed an unmodified audit opinion dated 28 May 2021, 10 August 2020 and 31 July 2019 respectively;
- the audited standalone financial statements of the Avet Lifesciences Limited for the year ended March 31, 2021 on which other firm of another chartered accountants have expressed an unmodified audit opinion dated May 27, 2021;
- Scheme of demerger approved by National Company Law Tribunal on June 4, 2021 for divestment of undertaking pertaining to a business as described in Note 2 of the Pro Forma Financial Information and resultant agreement entered pursuant to implementation of the scheme of demerger.

Management's Responsibility for the Proforma Condensed Consolidated Financial Information

3. The Company's management is responsible for compiling the proforma condensed consolidated financial information on the basis as described in Note 2 to the proforma condensed consolidated financial information which has been approved by the Board of Directors of the Company on 11 August 2021. This responsibility includes the responsibility for designing, implementing and maintaining internal control relevant for compiling the proforma condensed consolidated financial information on the basis as described in Note 2 to the Proforma Condensed 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 Proforma Condensed Consolidated Financial Information.

Practitioner's Responsibilities

4. Our responsibility is to express an opinion, as required by ICDR Regulations, about whether the pro forma condensed consolidated financial information has been compiled, in all material respects, by the Company's Management on the basis as described in Note 2 to the Proforma Condensed Consolidated Financial Information.
5. 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 proforma condensed consolidated financial information on the basis as described in Note 2 to the Proforma Condensed Consolidated Financial Information.

Practitioner's Responsibilities (continued)

6. For purposes of this engagement, we are not responsible for updating or re-issuing any reports or opinions on any historical financial information used in compiling the proforma condensed 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 proforma condensed consolidated financial information.

7. Our work has not been carried out in accordance with the 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. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the ICDR Regulations in connection with the proposed initial public offer ("IPO").

8. The purpose of proforma condensed consolidated financial information included in the DRHP is solely to illustrate the impact of a significant event or transaction as described in Note 2 to the Proforma Condensed Consolidated Financial Information on unadjusted restated financial information of the Company 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 years ended 31 March 2019, 31 March 2020 and 31 March 2021 would have been as presented.

9. A reasonable assurance engagement to report on whether the proforma condensed consolidated financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Company's Management in the compilation of the proforma condensed 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 proforma adjustments give appropriate effect to those criteria; and
    - The proforma condensed consolidated financial information reflects the proper application of those adjustments to the unadjusted restated 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 proforma condensed consolidated financial information has been compiled, and other relevant engagement circumstances. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. This report should not in any way be construed as re-issuance or re-dating of any of the previous audit reports issued by us on the financial statements of the Company, as the case may be referred in paragraph 2 above. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

The engagement also involves evaluating the overall presentation of the proforma condensed consolidated financial information.

Opinion

12. In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis as described in Note 2 to the Proforma Condensed Consolidated Financial Information.

Restrictions on Use

13. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with SEBI 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. The proforma condensed consolidated financial information is not a complete set of financial statements of the Company prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act, as applicable and is not intended to give a true and fair view of the financial position of the Company as at 31 March, 2021, 31 March 2020 and 31 March 2019 and of its financial performance (including other comprehensive income) for the year ended 31 March, 2021, 31 March 2020 and 31 March 2019 in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act, as applicable. As a result, this proforma condensed consolidated financial information may not be suitable for any other purpose. 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 **B S R & Co. LLP**

Chartered Accountants
Firm's Registration No: 101248W/ W-100022

Abhishek
Partner
Membership No. 062343
UDIN: 21062343AAAACQ4029

Place: Pune
Date: 12 August 2021

EMCURE PHARMACEUTICALS LIMITED
Proforma Condensed Consolidated Balance Sheet

Rs. in million

Particulars	March 31, 2021			March 31, 2020			March 31, 2019		
	Restated Consolidated (refer note 2)	Proforma adjustments (refer note 3)	Proforma Condensed Consolidated	Restated Consolidated (refer note 2)	Proforma adjustments (refer note 3)	Proforma Condensed Consolidated	Restated Consolidated (refer note 2)	Proforma adjustments (refer note 3)	Proforma Condensed Consolidated
	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3
Assets									
Non-current assets									
Property, plant and equipment	14,872.70	(1,306.01)	13,566.69	14,039.98	(1,642.78)	12,397.20	13,949.86	(1,720.83)	12,229.03
Capital work-in-progress	2,215.95	(98.72)	2,117.23	3,319.35	(15.27)	3,304.08	4,217.61	(40.84)	4,176.77
Right-of -use assets	2,242.85	(394.36)	1,848.49	2,381.41	(520.04)	1,861.37	2,598.85	(574.89)	2,023.96
Goodwill	3,974.77	(2,029.96)	1,944.81	3,891.90	(2,100.91)	1,790.99	3,760.41	(1,954.01)	1,806.40
Other Intangible assets	3,031.88	(1,201.09)	1,830.79	3,505.82	(1,288.91)	2,216.91	3,829.66	(1,016.48)	2,813.18
Intangible assets under development	800.31	(700.45)	99.86	1,530.31	(1,387.78)	142.53	1,590.94	(1,445.56)	145.38
Financial assets									
i) Investments	0.03	-	0.03	0.03	-	0.03	0.04	-	0.04
ii) Loans	289.00	(47.04)	241.96	259.05	(44.73)	214.32	225.66	(43.15)	182.51
iii) Other non-current financial assets	102.81	(21.93)	80.88	152.56	(81.33)	71.23	520.83	(491.85)	28.98
Deferred tax assets (net)	1,482.92	(162.29)	1,320.63	2,007.61	(835.95)	1,171.66	2,041.16	(907.25)	1,133.91
Income tax assets (net)	1,665.62	(1,382.59)	283.03	1,551.60	(1,012.64)	538.96	449.24	(12.95)	436.29
Other non-current assets	220.63	-	220.63	370.12	-	370.12	387.61	-	387.61
Total non- current assets	**30,899.47**	**(7,344.44)**	**23,555.03**	**33,009.74**	**(8,930.34)**	**24,079.40**	**33,571.87**	**(8,207.81)**	**25,364.06**
Current assets									
Inventories	15,144.35	(3,721.83)	11,422.52	11,731.55	(4,027.93)	7,703.62	11,277.51	(3,387.97)	7,889.54
Financial assets									
i) Trade receivables	14,753.62	(3,397.28)	11,356.34	11,452.14	(2,505.45)	8,946.69	9,720.35	(2,973.12)	6,747.23
ii) Cash and cash equivalents	4,687.46	(2,385.22)	2,302.24	1,287.43	(366.52)	920.91	914.47	(112.15)	802.32
iii) Bank balances other than (ii) above	547.91	-	547.91	350.94	-	350.94	128.42	-	128.42
iv) Other current financial assets	131.11	280.56	411.67	134.28	128.60	262.88	260.03	111.08	371.11
Other current assets	1,910.06	(82.00)	1,828.06	2,074.47	(41.39)	2,033.08	2,231.74	(15.21)	2,216.53
Total current assets	**37,174.51**	**(9,305.77)**	**27,868.74**	**27,030.81**	**(6,812.69)**	**20,218.12**	**24,532.52**	**(6,377.37)**	**18,155.15**
Total assets	**68,073.98**	**(16,650.21)**	**51,423.77**	**60,040.55**	**(15,743.03)**	**44,297.52**	**58,104.39**	**(14,585.18)**	**43,519.21**
Equity and liabilities									
Equity									
Equity share capital	1,808.52	-	1,808.52	1,808.52	-	1,808.52	1,808.52	-	1,808.52
Other equity	20,921.70	(8,700.73)	12,220.97	17,311.02	(10,854.98)	6,456.04	16,484.09	(11,103.89)	5,380.20
Equity attributable to owners of the company	**22,730.22**	**(8,700.73)**	**14,029.49**	**19,119.54**	**(10,854.98)**	**8,264.56**	**18,292.61**	**(11,103.89)**	**7,188.72**
Non-controlling interest	949.92	-	949.92	724.14	-	724.14	648.46	-	648.46
Total equity	**23,680.14**	**(8,700.73)**	**14,979.41**	**19,843.68**	**(10,854.98)**	**8,988.70**	**18,941.07**	**(11,103.89)**	**7,837.18**
Liabilities									
Non-current liabilities									
Financial liabilities									
i) Borrowings	7,039.70	-	7,039.70	5,532.98	(305.04)	5,227.94	6,878.78	(593.74)	6,285.04
ii) Lease Liabilities	1,168.05	(319.50)	848.55	1,273.99	(443.26)	830.73	1,494.92	(508.14)	986.78
iii) Other non-current financial liabilities	713.10	(584.84)	128.26	3,160.14	4,742.11	7,902.25	3,856.20	5,865.13	9,721.33
Provisions	659.34	-	659.34	584.98	-	584.98	561.15	-	561.15
Deferred tax liabilities (net)	398.83	10.65	409.48	440.03	11.37	451.40	657.42	4.06	661.48
Other non-current liabilities	333.05	-	333.05	6.37	-	6.37	9.00	-	9.00
Total non-current liabilities	**10,312.07**	**(893.69)**	**9,418.38**	**10,998.49**	**4,005.18**	**15,003.67**	**13,457.47**	**4,767.31**	**18,224.78**
Current liabilities									
Financial liabilities									
i) Borrowings	12,526.74	(4,526.42)	8,000.32	12,711.74	(5,729.18)	6,982.56	10,868.40	(4,587.49)	6,280.91
ii) Lease Liabilities	324.43	(108.79)	215.64	297.23	(105.70)	191.53	286.95	(94.58)	192.37
iii) Trade payables									
Total outstanding dues of micro and small enterprises	-	-	-	0.62	-	0.62	6.58	-	6.58
Total outstanding dues to others	9,721.94	(1,627.07)	8,094.87	7,406.01	(1,190.11)	6,215.90	6,846.43	(2,019.49)	4,826.94
iv) Other current financial liabilities	8,377.32	(176.13)	8,201.19	6,404.41	(1,422.31)	4,982.10	5,929.37	(1,151.00)	4,778.37
Provisions	1,497.56	(611.12)	886.44	1,389.93	(445.19)	944.74	1,124.02	(314.07)	809.95
Current tax liabilities (net)	616.91	-	616.91	543.30	-	543.30	177.68	(80.96)	96.72
Other current liabilities	1,016.87	(6.26)	1,010.61	445.14	(0.74)	444.40	466.42	(1.01)	465.41
Total current liabilities	**34,081.77**	**(7,055.79)**	**27,025.98**	**29,198.38**	**(8,893.23)**	**20,305.15**	**25,705.85**	**(8,248.60)**	**17,457.25**
Total liabilities	**44,393.84**	**(7,949.48)**	**36,444.36**	**40,196.87**	**(4,888.05)**	**35,308.82**	**39,163.32**	**(3,481.29)**	**35,682.03**
Total equity and liabilities	**68,073.98**	**(16,650.21)**	**51,423.77**	**60,040.55**	**(15,743.03)**	**44,297.52**	**58,104.39**	**(14,585.18)**	**43,519.21**

See accompanying notes to the proforma condensed consolidated financial information.

As per our report of even date attached.

For **B S R & Co. LLP**
Firm Registration: 101248W/W-100022
Chartered Accountants

Abhishek
Partner
Membership No. 062343

Place: Pune
Date: August 12, 2021

For and on behalf of the Board of Directors
Emcure Pharmaceuticals Limited
CIN - U24231PN1981PLC024251

Shreekant Bapat
Director
DIN - 00621568

Satish Mehta
Managing Director
DIN - 00118691

B Renganathan
Company Secretary
Membership No. F2922

Tajuddin Shaikh
Chief Financial Officer

Place: Pune
Date: August 12, 2021

EMCURE PHARMACEUTICALS LIMITED

Proforma Condensed Consolidated Statement of Profit and Loss

Rs. in million

Particulars	For the year ended March 31, 2021			For the year ended March 31, 2020			For the year ended March 31, 2019		
	Restated Consolidated (refer note 2)	Proforma adjustments (refer note 3)	Proforma Condensed Consolidated	Restated Consolidated (refer note 2)	Proforma adjustments (refer note 3)	Proforma Condensed Consolidated	Restated Consolidated (refer note 2)	Proforma adjustments (refer note 3)	Proforma Condensed Consolidated
	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3	Column 1	Column 2	Column 3
Revenue:									
Revenue from operations	60,564.15	(10,229.41)	50,334.74	50,485.54	(10,313.45)	40,172.09	47,171.83	(12,036.29)	35,135.54
Other income	353.91	(15.15)	338.76	823.06	(307.78)	515.28	984.07	(789.87)	194.20
Total income	**60,918.06**	**(10,244.56)**	**50,673.50**	**51,308.60**	**(10,621.23)**	**40,687.37**	**48,155.90**	**(12,826.16)**	**35,329.74**
Expenses:									
Cost of materials consumed	14,366.31	(2,470.33)	11,895.98	9,002.22	(1,995.20)	7,007.02	7,812.08	(1,409.07)	6,403.01
Purchases of stock-in-trade	13,375.88	(3,385.03)	9,990.85	11,273.59	(3,981.04)	7,292.55	11,096.54	(4,633.72)	6,462.82
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2,526.26)	(509.01)	(3,035.27)	19.10	384.92	404.02	(1,321.78)	826.41	(495.37)
Employee benefit expenses	11,021.25	(1,993.19)	9,028.06	11,056.20	(2,190.05)	8,866.15	10,103.30	(1,917.53)	8,185.77
Depreciation and amortisation expense	3,233.10	(733.16)	2,499.94	3,208.34	(635.09)	2,573.25	2,997.76	(622.54)	2,375.22
Finance cost	1,981.32	(431.91)	1,549.41	2,565.97	(642.16)	1,923.81	2,363.55	(427.33)	1,936.22
Other expenses	12,007.25	(1,714.94)	10,292.31	12,095.04	(1,766.65)	10,328.39	11,643.50	(1,886.70)	9,756.80
Total expenses	**53,458.85**	**(11,237.57)**	**42,221.28**	**49,220.46**	**(10,825.27)**	**38,395.19**	**44,694.95**	**(10,070.48)**	**34,624.47**
Profit before exceptional items and tax	**7,459.21**	**993.01**	**8,452.22**	**2,088.14**	**204.04**	**2,292.18**	**3,460.95**	**(2,755.68)**	**705.27**
Exceptional items	885.94	(840.69)	45.25	1,034.79	(909.22)	125.57	234.58	(107.86)	126.72
Profit before tax	**6,573.27**	**1,833.70**	**8,406.97**	**1,053.35**	**1,113.26**	**2,166.61**	**3,226.37**	**(2,647.82)**	**578.55**
Tax expenses									
Current tax	2,008.92	611.10	2,620.02	316.55	601.67	918.22	2,125.58	(1,543.58)	582.00
Deferred tax	378.41	(663.98)	(285.57)	(269.30)	(104.04)	(373.34)	(928.89)	314.79	(614.10)
Profit for the year	**4,185.94**	**1,886.58**	**6,072.52**	**1,006.10**	**615.63**	**1,621.73**	**2,029.68**	**(1,419.03)**	**610.65**
Other comprehensive income									
Items that will not be reclassified to profit or loss									
Remeasurement of post-employment benefit obligations	18.00	-	18.00	(70.37)	-	(70.37)	(14.01)	-	(14.01)
Tax on post-employment benefit obligations	(6.23)	-	(6.23)	24.28	-	24.28	4.88	-	4.88
Items that will be reclassified subsequently to profit or loss									
Exchange differences in translating financials statement of foreign operations	(11.93)	116.79	104.86	384.48	(245.67)	138.81	357.44	(442.68)	(85.24)
Income tax relating to these items	-	-	-	-	-	-	(10.41)	-	(10.41)
	(0.16)	**116.79**	**116.63**	**338.39**	**(245.67)**	**92.72**	**337.90**	**(442.68)**	**(104.78)**
Total comprehensive income for the year	**4,185.78**	**2,003.37**	**6,189.15**	**1,344.49**	**369.96**	**1,714.45**	**2,367.58**	**(1,861.71)**	**505.87**
Profit attributable to:									
Owners of the company	3,921.47	1,886.58	5,808.05	836.07	615.63	1,451.70	1,892.97	(1,419.03)	473.94
Non-controlling interests	264.47	-	264.47	170.03	-	170.03	136.71	-	136.71
Other comprehensive income attributable to:				-					
Owners of the company	(2.42)	116.79	114.37	343.32	(245.67)	97.65	339.98	(442.68)	(102.70)
Non-controlling interests	2.26	-	2.26	(4.93)	-	(4.93)	(2.08)	-	(2.08)
Total comprehensive income attributable to:									
Owners of the company	3,919.05	2,003.37	5,922.42	1,179.39	369.96	1,549.35	2,232.95	(1,861.71)	371.24
Non-controlling interests	266.73	-	266.73	165.10	-	165.10	134.63	-	134.63
Earnings per share:									
Basic	21.68		32.11	4.62		8.03	10.47		2.62
Diluted	21.68		32.11	4.62		8.03	10.47		2.62
[Face value per share: Rs.10]									

See accompanying notes to the proforma condensed consolidated financial information.

As per our report of even date attached.

For **B S R & Co. LLP**
Firm Registration: 101248W/W-100022
Chartered Accountants

Abhishek
Partner
Membership No. 062343

Place: Pune
Date: August 12, 2021

For and on behalf of the Board of Directors
Emcure Pharmaceuticals Limited
CIN - U24231PN1981PLC024251

Shreekant Bapat
Director
DIN - 00621568

Satish Mehta
Managing Director
DIN - 00118691

B Renganathan
Company Secretary
Membership No. F2922

Tajuddin Shaikh
Chief Financial Officer

Place: Pune
Date: August 12, 2021

EMCURE PHARMACEUTICALS LIMITED
Notes to the Proforma Condensed Consolidated Financial Information

1. Company Information

Emcure Pharmaceuticals Limited, ("the Company") is a public limited company incorporated and domiciled in India. The Company is engaged in developing, manufacturing and marketing a broad range of pharmaceutical products globally. The Company's core strength lies in developing and manufacturing differentiated pharmaceutical products in-house, which are commercialised through its marketing infrastructure across geographies and business relationships with multi-national pharmaceutical companies.

The Proforma Condensed Consolidated Financial Information comprise the financial information of the Company and the following subsidiaries/ step down subsidiaries (together referred to as "Group").

Name of subsidiaries	Percentage of Holding (%)	Country of incorporation
Direct subsidiaries		
Gennova Biopharmaceuticals Limited	87.95%	India
Zuventus Healthcare Limited	79.58%	India
Emcure Nigeria Limited	100%	Nigeria
Emcure Pharmaceuticals Mena FZ LLC.	100%	UAE
Emcure Pharmaceuticals South Africa (Pty) Limited	100%	South Africa
Emcure Brasil Farmaceutica Ltda	100%	Brazil
Emcure Pharma UK Ltd	100%	United Kingdom
Emcure Pharma Peru S.A.C.	100%	Peru
Emcure Pharma Mexico S.A. DE C.V.	100%	Mexico
Emcure Pharmaceuticals Pty Ltd	100%	Australia
Marcan Pharmaceuticals Inc.	100%	Canada
Emcure Pharma Chile SpA **	100%	Chile
Lazor Pharmaceuticals Limited ***	100%	Kenya
Step down subsidiaries ****		
Tillomed Laboratories Ltd	100%	United Kingdom
Tillomed Holdings Limited #	100%	United Kingdom
Tillomed Pharma GmbH	100%	Germany
Laboratories Tillomed Spain S.L.U.	100%	Spain
Tillomed Italia S.R.L.	100%	Italy
Emcure NZ Limited	100%	New Zealand
Tillomed France SAS	100%	France
Tillomed Laboratories BV *****	100%	Netherlands

** Emcure Pharma Chile SpA was incorporated on October 2, 2020.
*** Lazor Pharmaceuticals Limited was incorporated on February 4, 2021.
**** Effective holding % of the Company through its subsidiaries.
***** The Group has invested in Tillomed Laboratories BV ., A direct subsidiary of Emcure UK., on April 24, 2019
# Tillomed Holdings Ltd UK has been dissolved on April 16, 2019.

2. Background of transaction and Basis of preparation

The Company filed the Scheme of demerger with National Company Law Tribunal (“NCLT”), Mumbai Bench on November, 30 2020. Due to the demerger, all the US market business will be of Avet Lifesciences Limited ("Resulting Company"), a public limited company incorporated in Pune, India post approval of the Scheme.

US Market Business includes all business activities of the Company, conducted directly or through its US subsidiaries consisting of registration, manufacturing, research and development and marketing, sales, promotion and distribution of formulation products in the United States of America ("USA") but excluding i) all Active Pharmaceutical Ingredients (API) and ii) Abbreviated New Drug Applications (ANDAs) for AntiRetro Viral related to U.S. President’s Emergency Plan for AIDS Relief (PEPFAR).

US Subsidiaries of the Company include Heritage Pharma Holdings, Inc. and its wholly owned subsidiaries Heritage Pharmaceuticals Inc., Heritage Pharma Labs Inc. and Hacco Pharma Inc.

The Scheme was approved by the tribunal on June 4, 2021 and certified copy of the order is filed with Registrar of Companies on July 25, 2021.

On the Appointed Date i.e. on April 1, 2021, the Company demerged its US Market Business comprising of, inter alia, all the assets and properties, liabilities, Investments in shares and other securities of US subsidiaries, activities, operations, forming part of the US Market Business ("the Demerged Undertaking") and transferred the same to the Resulting Company. The remaining business of the Company and all its assets and properties, liabilities and investments in shares and other securities, activities, operations, shall continue to belong to and be vested in and be managed by the Company.

Pursuant to the Scheme, the Resulting Company issued to the shareholders of Emcure Pharmaceuticals Limited ("the Demerged Company"), 1 Equity Share of Rs. 10 each of the Resulting Company for every 10 Equity Share of Rs. 10 each of the Demerged Company ("Demerger Share Entitlement Ratio") without receipt of any cash, as consideration.

Prior to Demerger, in addition to other markets, the Company was also engaged in research and development, manufacturing of pharmaceutical products for US Market, and sold these products in the US Market Business through its subsidiaries located in the USA (“US Subsidiaries” or “US entities”). The Intellectual property (“IP”) and ANDAs for the products were held by the Company in its own name. The products were manufactured at either the Company’s own manufacturing facilities or external manufacturing partners (“EMP”). The US subsidiaries were acting as front-end sales and marketing entities for these products, while also developing, manufacturing and selling their own products.

2. Background of transaction and Basis of preparation (continued)

Post Demerger, (i.e. April 1, 2021 onwards), the IP's and ANDA's for the products related to US Market business were transferred to the Resulting Company, along with investments in US subsidiaries, other assets and other liabilities as per the Scheme. Accordingly, US entities are no longer part of the group and are acting as front-end sales and marketing entities for the Resulting Company post demerger along with continuing development, manufacturing and sale and marketing of their own products.

Also, post demerger the Company is engaged in contract manufacturing of finished pharmaceutical products for the Resulting Company instead of being the product owner for Products relating to US market.

Further, the contracts for manufacturing products by EMP for the Company have been novated due to demerger with the Resulting Company. Therefore, these products will be directly sold by EMP to Resulting Company and the Company will no longer be party for such products.

This arrangement has affected the sales price of the goods sold post demerger as the Company is acting as contract manufacturer compared to being product owner pre-demerger and in some cases has led to discontinuation of sales of certain products as those are directly sold by EMP to Resulting Company. Further, due to this arrangement, certain incidental cost / income which were incurred / earned by the Company will no longer be incurred which has been detailed out in Note 3.

The Proforma Condensed Consolidated Financial Information has been prepared to demonstrate the effects of the demerger on the Company, including the results on operations and the financial position that would have resulted as if the demerger had taken place at the earliest of the periods presented in the Proforma Condensed Consolidated Financial Information, i.e. April 1, 2018 as elaborated above and detailed in Note 3 for each adjustment.

Because of their nature, the Proforma Condensed Consolidated 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 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 Proforma Condensed Consolidated Financial Information of the Company comprises of the Proforma Condensed Consolidated Balance Sheet as at March 31, 2021, March 31, 2020 and March 31, 2019 and the Proforma Condensed Consolidated Statement of Profit and Loss for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, read with the notes to the Pro Forma Condensed Consolidated Financial Information and accounting policies consistently followed in all the period presented in the Proforma Condensed Consolidated Financial Statements (hereinafter referred as 'Proforma Condensed Consolidated Financial Information').

The Proforma adjustments are based upon available information and assumptions that the management of the Company believes to be reasonable. Such Proforma Condensed Consolidated Financial Information has been prepared on the basis as stated in Note 3 - "Proforma adjustments" and accordingly should not be relied upon as if it had been prepared in accordance with the generally accepted accounting principles.

The Proforma Condensed Consolidated Financial Information for the years presented has been prepared by using the following financial statements / information prepared as per generally accepted accounting principles in India and other information and after making the adjustments, as detailed in the following section "Proforma adjustments":

a. the restated consolidated financial information of the Company for the years ended March 31, 2021, March 31, 2020 and March 31, 2019;

b. the audited consolidated financial statements of the Heritage Pharma Holdings, Inc for the year ended March 31, 2021, March 31, 2020 and March 31, 2019;

c. the audited standalone financial statements of the Avet Lifesciences Limited for the year ended March 31, 2021;

d. Scheme of demerger approved by National Company Law Tribunal on June 4, 2021 for divestment of Demerged undertaking and resultant agreement entered pursuant to implementation of the scheme of demerger.

Further, the Proforma Condensed Consolidated Financial Information for all the years consists of three columns wherein:
a) Column 1 represents Restated Consolidated Financial Information of the Company;
b) Column 2 represents Proforma adjustments as mentioned in Note 3 below; and
c) Column 3 represents total of 'a' and 'b' above which represents Proforma Numbers.

The Proforma Condensed Consolidated Financial Information have been compiled in a manner consistent with the accounting policies adopted in by the Company in the Restated Consolidated Financial Statements of Emcure Pharmaceuticals Limited for the year ended March 31, 2021.

3. Proforma Adjustments

The Proforma adjustments mainly pertains to:

a. Carving out financial information (transaction and balances) of the Demerged Undertaking transferred to the Resulting Company. The relevant information (including income, expenses, assets including Investments in subsidiaries and liabilities attributable to the Demerged Undertaking) as explained in Note 3.1, Note 3.2 and Note 3.3.
b. Carving out financial information of the US subsidiaries of the Company which were line by line consolidated in the Restated Consolidated Financial Information and resulting reinstatement of elimination to intercompany transactions / balances with US subsidiaries which were effected for preparation of the said Restated Consolidated Financial Information.

3.1 Carve out of transactions pertaining to Demerged Undertaking

I. The sales pertaining to goods supplied to US subsidiaries which were produced by EMP for the Company and sold by the Company to US subsidiaries has been carved out as Proforma adjustment as the sales due to new arrangement will be made by Resulting Company instead of the Company. Resultant cost have also been carved out.
II. The Company signed agreement with Resulting Company to manufacture certain products as contract manufacturer post demerger which were earlier owned and manufactured by the Company as Principal, therefore the value of sales has been carved out to the extent to reflect sales value that will be earned by contract manufacturer.
III. The incidental income earned / cost incurred due to above sales such as exchange gain, export incentive earned, consultancy cost, etc. have been carved out.
IV. With transfer of IP and ANDA's pertaining to US Market business to Resulting Company due to demerger, Cost incurred / income earned relating to those have been carved out such as research and development cost for ANDA's / IP, US FDA program fees, filing fees, other income, etc.

3. Proforma Adjustments (continued)

3.2 Carve out of balances pertaining to Demerged undertaking

Assets and Liabilities related to Demerged Undertaking

On April 1, 2021 (i.e. the Demerger date), the Company transferred all the assets (including investments and loans and advances in US Subsidiaries), liabilities and reserves relating to the Demerged Undertaking at book value to the Resulting Company. Effect has been given in all the three years' Proforma Condensed Consolidated Balance Sheet to remove assets, liability and reserves relating to the demerged undertaking at book value as if the demerger happened on April 1, 2018.
Incidental income earned and cost incurred relating to those assets and liabilities such as depreciation, interest income, interest expenses, provision for doubtful debts, etc. have also been carved out.

Reserves related to Demerged Undertaking

Pursuant to the demerger scheme, the Company transferred capital reserve, general reserve, securities premium and retained earning appearing in its standalone financial statements to the Resulting Company as on the appointed date of demerger, in the proportion of the book values of net assets transferred to the Resulting Company. Accordingly, the reserves as on March 31, 2021, has been apportioned basis above between the Company and the Resulting Company and have been passed as an adjustment in Proforma Condensed Consolidated Financial Information of March 31, 2021.

Effect of transfer of net assets (i.e. Assets, liabilities and reserves) to the Resulting Company on reserves:

The difference between the assets, liabilities and reserves transferred relating to the Demerged Undertaking has first been adjusted against the Capital Reserve Account, Securities Premium Account and the balance against General Reserve Account which is as per the approved scheme of demerger. These adjustments have been made to financial information as of March 31, 2021. Accordingly, the Company has followed roll back approach to derive opening balance of each reserves.

3.3 Tax Expenses

Proforma adjustment have been made to tax expense as difference between current tax expense as per earlier audited financial statement of the Company and revised current tax expense for numbers of the Company calculated as if the demerger would have effected on the first day presented in the Proforma Condensed Consolidated Financial information.

3.4 Loss of control

The Company has passed Proforma adjustment for loss of control of its US subsidiaries as on April 1, 2018 being the earliest period presented. The same has been adjusted in retained earnings.

3.5 Earnings per Share - Basic and Diluted

Earnings per shares (Basic and Diluted) has been computed for all the years presented in the Proforma Condensed Consolidated Financial Information considering the Profit as per Proforma Condensed Consolidated Statement of Profit and Loss. There has been no effect of demerger on the weighted average equity share of any year presented in the Proforma Condensed Consolidated Financial Information.

3.6 Inter-segment account

The effect for carving out of assets, liabilities and reserves as explained in Note 3.2 in these Proforma Condensed Consolidated Financial Information has been effected as at April 1, 2018 i.e. being the earliest period presented in these Proforma Condensed Consolidated Financial Information, therefore subsequent changes in assets, liabilities and reserves have been accumulated as Inter-segment account and have been disclosed under Non-current other financial liabilities. The balance of Inter-segment account as at March 31, 2021 is Nil as actual assets, liabilities and reserves have been transferred as at March 31, 2021.

For **B S R & Co. LLP**
Firm Registration: 101248W/W-100022
Chartered Accountants

Abhishek
Partner
Membership No. 062343

Place: Pune
Date: August 12, 2021

For and on behalf of the Board of Directors
Emcure Pharmaceuticals Limited
CIN - U24231PN1981PLC024251

Shreekant Bapat
Director
DIN - 00621568

Satish Mehta
Managing Director
DIN - 00118691

B Renganathan
Company Secretary
Membership No. F2922

Tajuddin Shaikh
Chief Financial Officer

Place: Pune
Date: August 12, 2021

OTHER FINANCIAL INFORMATION

The audited standalone financial statements of our Company and our Material Subsidiaries as at and for the years ended March 31, 2021, March 31, 2020, and March 31, 2019, together with all annexures, schedules and notes thereto ("**Audited Financial Statements**") are available at https://emcure.com/report-and-filings/. 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 to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company, or any entity in which it or its shareholders have significant influence (collectively, the "**Group**") and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor any Managers or the Selling Shareholders, nor any of their respective employees, directors, shareholders, affiliates, agents, advisors or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein. The accounting ratios derived from Restated Consolidated Financial Statements required to be disclosed under the SEBI ICDR Regulations are set forth below:

(₹ in million)

Particulars	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
Basic earnings per share (in ₹)	21.68	4.62	10.47
Diluted earnings per share (in ₹)	21.68	4.62	10.47
Return on net worth (%)	17.25	4.37	10.35
Net asset value per share (in ₹)	125.68	105.72	101.15
Adjusted EBITDA (in ₹ million)	12,673.63	7,862.45	8,822.26
Adjusted EBITDA Margin (%)	20.80%	15.32%	18.32%

Non-GAAP Measures

We use certain supplemental non-GAAP measures to review and analyse our financial and operating performance from period to period, and to evaluate our business. Although these non-GAAP measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us because they are widely used measures to evaluate a company's operating and financial performance. Presentation of these non-GAAP financial measures and key performance indicators should not be considered in isolation from, or as a substitute for, analysis of our historical financial performance, as reported and presented in our Restated Consolidated Financial Statements or the Proforma Condensed Consolidated Financial Information set out in this Draft Red Herring Prospectus.

These non-GAAP financial measures are not defined under Ind AS, are not presented in accordance with Ind AS and have limitations as analytical tools which indicate, among other things, that they do not reflect our cash expenditures or future requirements for capital expenditure or contractual commitments; changes in, or cash requirements for, our working capital needs; and the finance cost, or the cash requirements necessary to service our debt. Although depreciation and amortisation are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and these measures do not reflect any cash requirements for such replacements. These non-GAAP financial measures may differ from similar titled information used by other companies, including peer companies, who may calculate such information differently and hence their comparability with those used by us may be limited. 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. Therefore, these non-GAAP financial measures and key performance indicators should not be viewed as substitutes for performance or profitability measures under Ind AS or as indicators of our operating performance, cash flows, liquidity or profitability.

Set out below are definitions of certain key non-GAAP financial measures and key performance indicators such as EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, RoCE, RoNW, Net Worth, NAV, Adjusted EBIT, Net Debt and Capital employed presented in this Draft Red Herring Prospectus, along with a brief explanation of their calculation.

EBITDA and EBITDA margin

"**EBITDA**" is defined as earnings before interest, taxes, depreciation and amortisation. "**EBITDA Margin**" is defined as our EBITDA during a given period as a percentage of total income during that period. The table below reconciles our Company's profit for the year to EBITDA for the periods indicated.

(₹ in million, unless otherwise stated)

Particulars	**Restated Consolidated Financial Statements**		
	Fiscal 2021	**Fiscal 2020**	**Fiscal 2019**
Profit for the year (A)	**4,185.94**	**1,006.10**	**2,029.68**
Add:			
Finance cost (B1)	1,981.32	2,565.97	2,363.55
Depreciation and amortisation expense (B2)	3,233.10	3,208.34	2,997.76
Tax expenses (B3)	2,387.33	47.25	1,196.69
EBITDA (B = B1 + B2 + B3)	**11,787.69**	**6,827.66**	**8,587.68**
Total income (C)	**60,918.06**	**51,308.60**	**48,155.90**
EBIDTA Margin (%) (B/C)	**19.35%**	**13.31%**	**17.83%**

(₹ in million, unless otherwise stated)

Particulars	**Proforma Condensed Consolidated Financial Information**		
	Fiscal 2021	**Fiscal 2020**	**Fiscal 2019**
Profit for the year (A)	**6,072.52**	**1,621.73**	**610.65**
Add:			
Finance cost (B1)	1,549.41	1,923.81	1,936.22
Depreciation and amortisation expense (B2)	2,499.94	2,573.25	2,375.22
Tax expenses (B3)	2,334.45	544.88	(32.10)
EBITDA (B = B1 + B2 + B3)	**12,456.32**	**6,663.67**	**4,889.99**
Total income (C)	**50,673.50**	**40,687.37**	**35,329.74**
EBIDTA Margin (%) (B/C)	**24.58%**	**16.38%**	**13.84%**

Adjusted EBITDA margin

"**Adjusted EBITDA**" is defined as EBITDA before exceptional items. "**Adjusted EBITDA Margin**" is defined as our Adjusted EBITDA during a given period as a percentage of total income during that period.

(₹ in million, unless otherwise stated)

Particulars	**Restated Consolidated Financial Statements**		
	Fiscal 2021	**Fiscal 2020**	**Fiscal 2019**
Adjusted EBITDA (I)	12,673.63	7,862.45	8,822.26
Total income (II)	60,918.06	51,308.60	48,155.90
Adjusted EBITDA Margin (I/II) (in %)	**20.80%**	**15.32%**	**18.32%**

(₹ in million, unless otherwise stated)

Particulars	**Proforma Condensed Consolidated Financial Information**		
	Fiscal 2021	**Fiscal 2020**	**Fiscal 2019**
Adjusted EBITDA (I)	12,501.57	6,789.24	5,016.71
Total income (II)	50,673.50	40,687.37	35,329.74
Adjusted EBITDA Margin (I/II) (in %)	**24.67%**	**16.69%**	**14.20%**

RoCE

"**RoCE**" is calculated by dividing our Adjusted EBIT during a given period by Capital Employed (total equity plus net debt) as on the end of that period. The table below sets out the reconciliation of our Company's RoCE, for the periods indicated.

(₹ in million, unless otherwise stated)

Particulars	Restated Consolidated Financial Statements		
	Fiscal 2021	Fiscal 2020	Fiscal 2019
Adjusted EBIT (A)	**9,440.53**	**4,654.11**	**5,824.50**
Total equity (B1)	23,680.14	19,843.68	18,941.07
Net debt (B2)	18,010.51	20,050.60	20,271.19
Capital Employed (B = B1 + B2)	**41,690.65**	**39,894.28**	**39,212.26**
RoCE (A/B) (%)	**22.64%**	**11.67%**	**14.85%**

(₹ in million, unless otherwise stated)

Particulars	Proforma Condensed Consolidated Financial Information		
	Fiscal 2021	Fiscal 2020	Fiscal 2019
Adjusted EBIT (A)	**10,001.63**	**4,215.99**	**2,641.49**
Total equity (B1)	14,979.41	8,988.70	7,837.18
Net debt (B2)	15,891.24	13,222.97	14,817.79
Capital Employed (B = B1 + B2)	**30,870.65**	**22,211.67**	**22,654.97**
RoCE (A/B) (%)	**32.40%**	**18.98%**	**11.66%**

RoNW and Net Worth

"RoNW" is defined as profit for the year attributable to owners of our Company divided by total equity attributable to owners of our Company as at the year end. **"Net Worth"** is defined as total equity attributable to owners of our Company. The table below reconciles our Company's profit for the year to RoNW, for the periods indicated.

(₹ in million, unless otherwise stated)

Particulars	Restated Consolidated Financial Statements		
	Fiscal 2021	Fiscal 2020	Fiscal 2019
Profit for the year attributable to owners of our Company (A)	**3,921.47**	**836.07**	**1,892.97**
Equity share capital (B1)	1,808.52	1,808.52	1,808.52
Other Equity (B2)	20,921.70	17,311.02	16,484.09
Net Worth (B = B1 + B2)	**22,730.22**	**19,119.54**	**18,292.61**
Return on Net Worth (A/B) (%)	**17.25%**	**4.37%**	**10.35%**
Weights	3	2	1
Weighted Average (%)	**11.81%**		

(₹ in million, unless otherwise stated)

Particulars	Proforma Condensed Consolidated Financial Information		
	Fiscal 2021	Fiscal 2020	Fiscal 2019
Profit for the year attributable to owners of our Company (A)	**5,808.05**	**1,451.70**	**473.94**
Equity share capital (B1)	1,808.52	1,808.52	1,808.52
Other Equity (B2)	12,220.97	6,456.04	5,380.20
Net Worth (B = B1 + B2)	**14,029.49**	**8,264.56**	**7,188.72**
Return on Net Worth (A/B) (%)	**41.40%**	**17.57%**	**6.59%**

Particulars	Proforma Condensed Consolidated Financial Information		
	Fiscal 2021	Fiscal 2020	Fiscal 2019
Weights	3	2	1
Weighted Average (%)	**27.65%**		

Net asset value per Equity Share

"**NAV**" is equal to net worth divided by weighted average number of equity shares of our Company outstanding during the year. The table below sets out the reconciliation of our Company's NAV to its net worth, for the periods indicated.

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

Particulars	Restated Consolidated Financial Statements		
	Fiscal 2021	Fiscal 2020	Fiscal 2019
Equity share capital (I)	1,808.52	1,808.52	1,808.52
Other equity (II)	20,921.70	17,311.02	16,484.09
Net worth (III) = (I+II)	22,730.22	19,119.54	18,292.61
Weighted average number of equity shares outstanding during the year (No's) (IV)	18,08,52,116	18,08,52,116	18,08,52,116
Net asset value per equity share (in ₹) (V = III/IV*10^6)	125.68	105.72	101.15

^ *means raise to*

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

Particulars	Proforma Condensed Consolidated Financial Information		
	Fiscal 2021	Fiscal 2020	Fiscal 2019
Equity share capital (I)	1,808.52	1,808.52	1,808.52
Other equity (II)	12,220.97	6,456.04	5,380.20
Net worth (III) = (I+II)	14,029.49	8,264.56	7,188.72
Weighted average number of equity shares outstanding during the year (No's) (IV)	18,08,52,116	18,08,52,116	18,08,52,116
Net asset value per equity share (in ₹) (V = III/IV*10^6)	77.57	45.70	39.75

^ *means raise to*

Reconciliation of non-GAAP measures

Reconciliation for the following non-GAAP financial measures included in this Prospectus, EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EBIT, Net Debt and Capital Employed are given below:

1) *Reconciliation of our profit for the year to our EBITDA, Adjusted EBITDA and Adjusted EBIT:*

(₹ in million)

Particulars	Restated Consolidated Financial Statements		
	Fiscal 2021	Fiscal 2020	Fiscal 2019
Profit for the year (I)	**4,185.94**	**1,006.10**	**2,029.68**
Add:			
Finance costs (II)	1,981.32	2,565.97	2,363.55
Depreciation and amortisation expense (III)	3,233.10	3,208.34	2,997.76
Tax expenses (IV)	2,387.33	47.25	1,196.69
EBITDA (V = I + II + III + IV)	**11,787.69**	**6,827.66**	**8,587.68**
Add:			
Exceptional items (VI)	885.94	1,034.79	234.58
Adjusted EBITDA (VII = V + VI)	**12,673.63**	**7,862.45**	**8,822.26**
Adjusted EBIT (VIII = VII - III)	**9,440.53**	**4,654.11**	**5,824.50**

(₹ in million)

Particulars	Proforma Condensed Consolidated Financial Information		
	Fiscal 2021	Fiscal 2020	Fiscal 2019
Profit for the year (I)	**6,072.52**	**1,621.73**	**610.65**
Add:			
Finance costs (II)	1,549.41	1,923.81	1,936.22
Depreciation and amortisation expense (III)	2,499.94	2,573.25	2,375.22
Tax expenses (IV)	2,334.45	544.88	(32.10)
EBITDA (V = I + II + III + IV)	**12,456.32**	**6,663.67**	**4,889.99**
Add:			
Exceptional items (VI)	45.25	125.57	126.72
Adjusted EBITDA (VII = V + VI)	**12,501.57**	**6,789.24**	**5,016.71**
Adjusted EBIT (VIII = VII - III)	**10,001.63**	**4,215.99**	**2,641.49**

2) *Reconciliation of total borrowings and net debt:*

(₹ in million)

Particulars	Restated Consolidated Financial Statements		
	Fiscal 2021	Fiscal 2020	Fiscal 2019
Non-current borrowings (I)	7,039.70	5,532.98	6,878.78
Current borrowings (II)	12,526.74	12,711.74	10,868.40
Add:			
Current maturities of long-term borrowings (III)	3,535.15	3,451.50	3,535.68
Total borrowings (net-off transaction costs) (IV = I + II + III)	**23,101.59**	**21,696.22**	**21,282.86**
Transaction costs (non-current) (V)	211.79	122.70	107.18
Transaction costs (current) (VI)	15.31	2.61	8.67
Total borrowings (VII = IV + V + VI)	**23,328.69**	**21,821.53**	**21,398.71**
Less:			
Cash and cash equivalents (VIII)	(4,687.46)	(1,287.43)	(914.47)
Term deposit with Banks (current) (IX)	(547.91)	(350.94)	(128.42)
Term deposit with Banks (non-current) (X)	(82.81)	(132.56)	(84.63)
Net debt (XI = VII - VIII – IX – X)	**18,010.51**	**20,050.60**	**20,271.19**

(₹ in million)

Particulars	Proforma Condensed Consolidated Financial Information		
	Fiscal 2021	Fiscal 2020	Fiscal 2019
Non-current borrowings (I)	7,039.70	5,227.94	6,285.04
Current borrowings (II)	8,000.32	6,982.56	6,280.91
Add:			
Current maturities of long-term borrowings (III)	3,535.15	2,220.45	3,075.71
Total borrowings (net-off transaction costs) (IV = I + II + III)	**18,575.17**	**14,430.95**	**15,641.66**
Transaction costs (non-current) (V)	211.79	112.49	107.18
Transaction costs (current) (VI)	15.31	2.61	8.67
Total borrowings (VII = IV + V + VI)	**18,802.27**	**14,546.05**	**15,757.51**
Less:			
Cash and cash equivalents (VIII)	(2,302.24)	(920.91)	(802.32)
Term deposit with Banks (current) (IX)	(547.91)	(350.94)	(128.42)
Term deposit with Banks (non-current) (X)	(60.88)	(51.23)	(8.98)
Net debt (XI = VII - VIII – IX – X)	**15,891.24**	**13,222.97**	**14,817.79**

Other reconciliations and information

1) PAT Margins

"**PAT Margin**" is calculated by dividing our profit for the year by total income during that period, and is expressed as a percentage. The table below gives information of Company's PAT Margin for the periods indicated.

(₹ in million, unless otherwise stated)

Particulars	Restated Consolidated Financial Statements		
	Fiscal 2021	Fiscal 2020	Fiscal 2019
Profit for the year (A)	**4,185.94**	**1,006.10**	**2,029.68**
Total income (C)	**60,918.06**	**51,308.60**	**48,155.90**
PAT Margin (%) (A/C)	**6.87%**	**1.96%**	**4.21%**

(₹ in million, unless otherwise stated)

Particulars	Proforma Condensed Consolidated Financial Information		
	Fiscal 2021	Fiscal 2020	Fiscal 2019
Profit for the year (A)	**6,072.52**	**1,621.73**	**610.65**
Total income (C)	**50,673.50**	**40,687.37**	**35,329.74**
PAT Margin (%) (A/C)	**11.98%**	**3.99%**	**1.73%**

2) Reconciliation of RoE

"**RoE**" is equal to profit for the year divided by total equity of our Company at the end of the period, and is expressed as a percentage. The table below sets out the reconciliation of our Company's RoE to its profit for the year, for the periods indicated.

(₹ in million, unless otherwise stated)

Particulars	Restated Consolidated Financial Statements		
	Fiscal 2021	Fiscal 2020	Fiscal 2019
Profit for the year (A)	**4,185.94**	**1,006.10**	**2,029.68**
Total equity (B)	**23,680.14**	**19,843.68**	**18,941.07**
RoE (A/B) (%)	**17.68%**	**5.07%**	**10.72%**

(₹ in million, unless otherwise stated)

Particulars	Proforma Condensed Consolidated Financial Statements		
	Fiscal 2021	Fiscal 2020	Fiscal 2019
Profit for the year (A)	**6,072.52**	**1,621.73**	**610.65**
Total equity (B)	**14,979.41**	**8,988.70**	**7,837.18**
RoE (A/B) (%)	**40.54%**	**18.04%**	**7.79%**

3) Reconciliation of capital expenditure incurred:

"**Capital expenditure incurred**" are investments made by our Company to grow or maintain the business operations. Capital expenditure is derived on accrual basis and calculated in manner tabled below for the periods indicated. Capital expenditure is aggregate of Additions to Property, Plant and Equipment, Capital work-in-progress, Intangible Assets, Intangible Assets under Development reduced by capitalisation from Capital Work-in-progress to Property, Plant and Equipment and capitalisation from Intangible Assets under Development to Intangible Assets.

(₹ in million)

Particulars	Restated Consolidated Financial Statements		
	Fiscal 2021	Fiscal 2020	Fiscal 2019
Property, plant and equipment			
Additions to Property, plant and equipment (I)	2,778.10	1,840.80	3,881.13
Additions to Capital work-in-progress (II)	1,102.67	758.52	2,420.33

Particulars	Restated Consolidated Financial Statements		
	Fiscal 2021	Fiscal 2020	Fiscal 2019
Capitalisation from Capital work-in-progress to Property, plant and equipment (III)	(2,205.02)	(1,566.16)	(3,150.23)
Capital expenditure on Property, plant and equipment (A = I + II + III)	**1,675.75**	**1,033.16**	**3,151.23**
Intangible Assets			
Additions to Intangible assets (IV)	873.84	603.39	275.44
Additions to Intangible assets under development (V)	16.83	252.82	1,303.97
Capitalisation from Intangible assets under development to Intangible assets (VI)	(708.46)	(424.42)	(110.57)
Capital expenditure on intangible assets (B = IV + V + VI)	**182.21**	**431.79**	**1,468.84**
Total Capital expenditure incurred (C = A + B)	**1,857.96**	**1,464.95**	**4,620.07**

RELATED PARTY TRANSACTIONS

For further details of the related party transactions, as per the requirements under applicable Accounting Standards i.e. Ind AS 24 '*Related Party Transactions*' read with SEBI ICDR Regulations for the financial years ended March 31, 2021, March 31, 2020, and March 31, 2019 as reported in the Restated Consolidated Financial Statements, see "*Restated Consolidated Financial Statements"* beginning on page 251.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion in conjunction with our Restated Consolidated Financial Statements included herein as of and for the Financial Years ended March 31, 2021, 2020 and 2019, including the related notes, schedules and annexures. Our Restated Consolidated Financial Statements have been prepared in accordance with Ind AS, Section 26 of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectus (Revised 2019)" issued by the ICAI (the "**Guidance Note**"). Ind AS differs in certain material respects from IFRS and US GAAP. See "Risk Factors – External Risk Factors – Risks Related to India – Significant differences exist between Ind AS used to prepare our financial information and other accounting principles, such as U.S. GAAP and IFRS, which may affect investors' assessments of our Company's financial condition." on page 78.*

Our Financial Year ends on March 31 of each year. Accordingly, all references to a particular Financial Year are to the 12-month period 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 Proforma Condensed Consolidated Financial Information, which is included in "Proforma Condensed Consolidated Financial Information" beginning on page 332, to reflect the de-merger of our U.S. operations from our Company. See also "History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/undertakings, mergers or amalgamation, and any revaluation of assets in the last 10 years" and "– Basis of Preparation of the Proforma Condensed Consolidated Financial Information" beginning on pages 213 and 338, respectively, as well as "Risk Factors – Internal Risk Factors – Risks Related to our Business – We have de-merged our U.S. operations and have an indemnity from the resulting entity in relation to investigations by U.S. regulatory authorities and various ongoing civil and regulatory proceedings in the United States. However, we may incur additional expenses and losses in connection with such matters." and "Risk Factors – Internal Risk Factors – Risks Related to our Business – The Proforma Condensed Consolidated Financial Information included in this Draft Red Herring Prospectus to reflect the De-merger of our U.S. operations 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 53 and 72, respectively.

We have included various operational and financial performance indicators in this Draft Red Herring Prospectus, many of which may not be derived from our Restated Consolidated Financial Statements or otherwise be subject to an examination, audit or review by our auditors or any other expert. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions. For the purposes of this section, for certain analyses we have used historical methodologies and internal categorizations to enable a consistent representation of our business. Such information may vary from similar information publicly disclosed by us in compliance with applicable regulations in India. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision, and should consult their own advisors and evaluate such information in the context of our Restated Consolidated Financial Statements and other information relating to our business and operations included in this Draft Red Herring Prospectus.

Unless otherwise indicated, the industry-related information contained in this Draft Red Herring Prospectus is derived from the CRISIL Report dated August 2021 which has been commissioned and paid for by our Company for an agreed fee for the purposes of confirming our understanding of the industry exclusively in connection with the Offer. We officially engaged CRISIL Research, a division of CRISIL Limited, in connection with the preparation of the CRISIL Report on May 5, 2021. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant Financial Year. The data included in this section includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the Offer), that have been left out or changed in any manner.

This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under "Forward-looking Statements" and "Risk Factors" on pages 25 and 43, respectively.

Overview

We are one of the leading Indian pharmaceutical companies engaged in developing, manufacturing and globally marketing a broad range of pharmaceutical products across several major therapeutic areas. We were ranked as (i) the 12th largest pharmaceutical company in India and (ii) the largest pharmaceutical company in India in the gynecology, blood related and HIV antivirals therapeutic areas, based on sales in India in the Financial Year 2021, according to CRISIL. We are an R&D driven company with a differentiated product portfolio that includes orals, injectables and biologics, as well as an mRNA platform through which we are currently developing a COVID-19 vaccine, that has enabled us to reach a range of target markets across over 70 countries with a strong presence in Europe and Canada. We are led by a Promoter Group with significant experience in the pharmaceutical industry who are supported by a strong professional management team.

We have experienced rapid growth in recent years and, according to CRISIL, we are one of the fastest growing pharmaceutical companies in India as measured by the increase in our sales of pharmaceutical products in India. According to CRISIL, between the Financial Year 2019 and the Financial Year 2021, our total sales in India grew at a CAGR of 11.28% from ₹32,856.00 million to ₹40,686.00 million, outperforming the Indian pharmaceutical industry's overall growth in sales in India, which grew at a CAGR of 5.78%. We believe that our competitive advantage in the domestic market stems from our established presence in most of the major therapeutic areas, including, gynecology, cardiovascular, vitamins, minerals and nutrients, oncology/anti-neoplastic, HIV and blood-related. Across all such therapeutic areas, we were ranked among the top 10 pharmaceutical companies in India in terms of sales in India in the Financial Year 2021, according to CRISIL. Further, according to CRISIL, we are one of the market leaders in India in the HIV antivirals, gynecology and blood-related therapeutic areas, for which we held a domestic market share of 51.53%, 11.85% and 10.26%, respectively, as of March 31, 2021. Our portfolio is focused towards pharmaceutical products used in chronic (including sub-chronic) therapeutic areas, which we believe are therapeutic areas with the highest growth potential in India. According to CRISIL, for the Financial Year 2021, 64.75% of our sales in India was from chronic therapeutic areas as compared to the 53.26% industry average for pharmaceutical companies in India. For the same period, seven of our brands also featured among the top 300 pharmaceutical product brands in the domestic market, as measured by sales, according to CRISIL. We also continuously expand our therapeutic area including by leveraging our leadership positions in our key therapeutic areas to penetrate adjacent therapeutic areas, and are currently also focusing on the neurology, anti-diabetics and respiratory therapeutic areas. As of June 30, 2021, we had a pan India marketing and distribution presence with a field force of more than 4,600 personnel. Given our strong position in India, a number of multinational companies have entered into co-marketing and in-licensing agreements with our Company for the sale and distribution in India of some of their products.

We also sell our portfolio of differentiated products internationally in over 70 countries. We have established our presence by either developing our own front-end distribution capabilities or focusing on alliances with local and multi-national companies that have an established presence in the therapeutic areas of our focus. Between the Financial Year 2019 and the Financial Year 2021, our total sales outside India grew at a CAGR of 32.80% from ₹14,306.19 million to ₹25,233.45 million, outperforming the Indian pharmaceutical industry's overall growth in sales outside India, which grew at a CAGR of 14.90%, according to CRISIL. We believe that such growth has been driven both organically, including through increasing penetration in these markets by launching new products and growing our existing brands, and inorganically, including through (i) strategic acquisitions of companies, such as of Marcan Pharmaceuticals ("**Marcan**") in Canada and Tillomed Laboratories ("**Tillomed**") in the United Kingdom, which have allowed us to quickly establish distribution channels for our products in Canada and Europe, respectively; (ii) acquisition of rights of pharmaceutical products, such as our acquisition of BiCNU®, a branded oncology product prescribed for treatment of brain tumors, multiple myeloma, Hodgkin's disease and non-Hodgkin's lymphoma, which has allowed us to expand our presence in our existing markets as well as facilitate our entry into new markets; and (iii) in-licensing of pharmaceutical products, such as Atazanavir and Dolutegravir, which has also allowed us to expand our presence in our existing markets as well as facilitate our entry into new markets. We believe our strategic and calibrated approach to marketing has allowed us to deepen our presence in our existing markets as well as, at the same time, expand into other markets in a cost efficient and profitable manner. For instance, in Europe, one of our focus areas is the hospital segment as it is a large market for our complex injectables products, such as Cidofovir, BiCNU and Treprostinil, for which we face relatively lower competition. We have subsidiaries and branch offices in a number of countries that play an important role in liaising and managing our international operations.

We are an R&D driven company and our core strength lies in our ability to research, develop and manufacture in-house niche pharmaceutical products for high-growth therapeutic areas, for which there is limited

competition and high barriers to entry. We broadly categorize our range of product offerings into (i) formulations, where we focus on (a) pharmaceutical products in multiple dosage forms and novel drug delivery systems that are capable of greater efficacy and patient compliance, and (b) biopharmaceuticals, where we have successfully developed microbial and mammalian based platforms and have used these to launch multiple niche products domestically and internationally; and (ii) active pharmaceutical ingredients ("**APIs**"), where we believe we are a pioneer in chiral chemistry and have developed strong expertise in complex APIs, antiretrovirals and oncology products. As of June 30, 2021, we had a team of 501 highly qualified scientists and five dedicated R&D facilities. As of the same date, we had been granted 161 patents and had 98 pending patent applications in several countries, and had submitted 98 DMFs for APIs with various regulatory agencies across the world.

We have a strong track record in developing portfolios of differentiated products across several platforms, including chiral molecules, complex APIs, biologics and novel drug delivery systems. We have a portfolio of 11 chiral molecules, six of which we launched for the first time in India, according to CRISIL. Further, according to CRISIL, we are a market leader in iron compounds, which require complex characterization techniques and niche skill-sets to achieve the desired quality. We believe that we have been able to develop and master these techniques and skill-sets, which has been demonstrated by our ability to deliver complex generic iron products, such as iron-sucrose, ferric-carboxymaltose and ferrous ascorbate to our customers. According to CRISIL, we are also one of the leading players in biopharmaceuticals in India. Through our development of our own microbial and mammalian based platforms, we have a portfolio of six commercialized and in-house manufactured biologics and our biologics brands, Elaxim, Tenectase and Hamsyl, were each ranked 1st in our domestic market for the Financial Year 2021, in terms of sales in India for their respective molecule, according to CRISIL. According to CRISIL, we were the first to domestically launch the biosimilar for Tenecteplase, commonly used for acute myocardial infraction, and the biosimilar for Pegylated-asparaginase, commonly used for treating patients with leukemia. We also hold the global patent for use of Tenectaplase to treat Acute Ischemic Stroke as a second indication, for which we have conducted clinical trials and received marketing authorization in India. Further, according to CRISIL, we are the first Indian pharmaceutical company to have developed an indigenous mRNA platform. We are in the process of developing an mRNA COVID-19 vaccine, for which we benefit from funding from the Government of India, and have submitted the interim Phase I clinical trials data and the Phase II and Phase III protocol for the vaccine to the CDSCO. We are also in development stages for three other vaccines on our mRNA platform, for Zoster, Zika and Rabies.

We have 14 manufacturing facilities across India. Our facilities are capable of producing pharmaceutical and biopharmaceutical products of a wide range of dosage forms, including oral solids, oral liquids, injectables including lipid, liposomal, lyophilized injectables, biologics, vaccines and complex APIs, including chiral molecules and cytotoxic products. Our facilities have obtained approvals from various regulatory bodies including, among others, the USFDA, MHRA (United Kingdom), Health Canada and EDQM (Europe). Further, our ability to manufacture our own APIs has allowed us to attain a significant degree of vertical integration, allowing us to source APIs in a cost effective manner, ensure quality and security of availability of an essential raw material and protect our intellectual property.

We focus on building quality into our products through compliance with global regulatory standards as well as local and state laws. We are also focused on sustainability in our operations through meaningful interventions in environment management, safety initiatives in our operations and occupational health of our workforce, and have undertaken various initiatives relating to energy efficiency, renewable energy and water conservation to reduce our carbon footprint. We endeavor to implement regular measures to manage and mitigate our impact on the environment through responsible business practices. Furthermore, we strive to ensure the well-being and development of our local communities by contributing in the areas of education and healthcare. Our corporate social responsibility includes focused initiatives towards the betterment of society.

Significant Factors Affecting our Results of Operations

Our results of operations and financial condition are affected by a number of important factors including:

Volume of Products Manufactured and Sold

The key driver in the growth of our revenue from operations has been the volume of products manufactured and sold by us. Our two main product offerings are formulations and APIs, and for the Financial Years 2021, 2020 and 2019, substantially all our revenue was attributable to sales of formulations. We sell our portfolio of products internationally in over 70 countries, with Europe and Canada currently being our primary international markets. For the Financial Years 2021, 2020 and 2019, our restated sales in India amounted to ₹24,766.02

million, ₹22,918.31 million and ₹20,478.49 million, respectively, representing 40.89%, 45.40% and 43.41%, respectively, of our restated revenue from operations, and our restated sales outside India amounted to ₹35,798.13 million, ₹27,567.23 million and ₹26,693.34 million, respectively, representing 59.11%, 54.60% and 56.59%, respectively, of our restated revenue from operations. For the same years, our proforma sales in India amounted to ₹25,101.29 million, ₹23,292.74 million and ₹20,829.35 million, respectively, representing 49.87%, 57.98% and 59.28%, respectively, of our proforma revenue from operations, and our proforma sales outside India amounted to ₹25,233.45 million, ₹16,879.35 million and ₹14,306.19 million, respectively, representing 50.13%, 42.02% and 40.72%, respectively, of our proforma revenue from operations.

We have 14 manufacturing facilities across India. For further details on our manufacturing facilities, see "*Our Business – Description of Our Business – Manufacturing Facilities and Approvals"* on page 190. Our facilities are capable of producing pharmaceutical and biopharmaceutical products of a wide range of dosage forms, including oral solids, injectables including lipid, liposomal and lyophilized injectables, biologics, vaccines and complex APIs, including chiral molecules and cytotoxic products. Our manufacturing and development capabilities include APIs and formulations through process development, and scale-up and full-scale commercial manufacturing. Over the last three Financial Years, we have added three new manufacturing facilities for the production of orals and injectables, which increased our installed manufacturing capacities by 300 million tablets and 72 million vials. Historically, an increase in capacity has not been met with an immediate corresponding increase in utilization rates and it has typically taken approximately four to five years to reach an optimal capacity utilization rate. In addition, we need to obtain government permits and customer pre-qualifications before we can fully utilize our expanded capacity. As a result, we have seen a delay in ramping up production and a lag in utilization rates after periods of capacity expansion or due to changes in the type of products being manufactured at a particular facility.

We intend to continue to increase our manufacturing and capacities across our target areas including injectables, biologics and mRNA manufacturing, see "– *Product Portfolio and Product Mix*" on page 353. Further, to support the growing demand for our existing product portfolio, we intend to focus on improving vertical integration in order to achieve greater control over our product quality, supply chain and operating costs. Our ability to manufacture our own APIs has allowed us to attain a significant degree of vertical integration, allowing us to source APIs in a cost effective manner, ensure quality and security of availability of an essential raw material and protect our intellectual property.

We also have strong marketing and distribution capabilities. As of June 30, 2021, our sales and marketing team in India comprised 4,600 personnel who interact regularly with doctors and other healthcare providers to promote our pharmaceutical products. Given our strong position in India, a number of multinational companies have entered into co-marketing and in-licensing agreements with our Company for the sale and distribution in India of some of their products, see "– *Acquisitions and Partnerships*" on page 356. 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, among other factors, its regulatory landscape, market size, competitive landscape and scope for our products. This allows us to strategically select local partners, acquire local companies or rights of pharmaceutical products, and establish subsidiaries with our own on-the-ground sales force in these markets. In India, we strategically use a division-based marketing approach to cater to specialist and super specialists by offering them a wide range of products from our various therapeutic areas. We have also established dedicated business units for marketing and sales purposes, each of which caters to specified therapeutic areas and the target specialist medical practitioners in such 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.

We believe that our market-specific growth strategies have allowed us to deepen our presence in our existing international markets as well as, at the same time, expand into other international markets in a cost efficient and profitable manner. We also believe that the domestic market dynamics and landscape are very conducive for us to continue to leverage our existing and growing product portfolio and further develop and grow our business. According to CRISIL, the domestic formulations market is expected to grow at a CAGR of approximately 9% to 11% over the next six years, mainly driven by (i) the increasing prevalence of non-communicable diseases (including cardiovascular disease, stroke, cancer, diabetes and chronic lung disease), (ii) a growing population and, in turn, growing demand for medicine generally, with India expected to become one of the top ten countries in the world in terms of spending on medicine over the next few years, and (iii) favorable initiatives and schemes from the Government of India to encourage companies to manufacture ingredients domestically and support the growth of the domestic pharmaceutical industry. As actual volumes and specifications of customer orders are fixed only when customers place purchase orders with us, our actual production volumes may differ significantly from our estimates due to variations in customer demand for our products. When actual production

volumes differ significantly from our estimates, we generally seek to make up any shortfalls through new orders, either with existing or with new customers, see also "*Risk Factors – Internal Risk Factors – Risks Related to Our Business – Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, financial condition, results of operations and cash flows.*" on page 49. Further, since the number of purchase orders that our customers place with us may differ from quarter to quarter, our revenues, results of operations and cash flows have fluctuated in the past and we expect this trend to continue in the future.

Product Portfolio and Product Mix

Over the last few years, we have expanded our operations and experienced considerable growth. We have historically derived a significant percent of our revenue from our formulations business and believe we will continue to see strong growth in our formulations business. We also anticipate that we will derive higher revenues from our API business in the future. Our portfolio is focused towards pharmaceutical products used in chronic therapeutic areas, which we believe are therapeutic areas with the highest growth potential in India. According to CRISIL, for the Financial Year 2021, 64.75% of our sales in India was from chronic therapeutic areas as compared to the 53.26% industry average for pharmaceutical companies in India. We generate a significant proportion of our revenue from our sale of products in certain therapeutic areas in India, such as the gynecology and cardiovascular therapeutic areas. For the Financial Years 2021, 2020 and 2019, our sales from the gynecology and cardiovascular therapeutic areas amounted to ₹17,136.89 million, ₹15,537.51 million and ₹14,169.52 million, representing 42.12%, 41.42% and 43.13%, respectively, of our total sales in India in India, according to CRISIL.

We intend to continue to consolidate our position and increase our market share in our key and leading therapeutic areas, such as gynecology, cardiovascular, anti-infectives, HIV, blood related, oncology/anti-neoplastics, hormones and vitamins, minerals and nutrients. We also intend to continue to grow our position and increase our market share in certain of our other therapeutic areas, such as neurology, anti-diabetics, respiratory and gastrointestinal. We plan to do so by, among other things, increasing the penetration of our key brands in these therapeutic areas, developing other strong and domestically recognized brands for these therapeutic areas, and launching new products to address unmet patient needs for these therapeutic areas. Further, we intend to continue to grow our sales in all our target international markets by registering more of our products and increasing our customer penetration, through either developing our own on-the-ground sales force or establishing partnerships, in these markets. We intend to continue to focus on technology driven differentiated products, especially complex oral solids, injectables including lyophilized, nano-particles, liposomal form, in-situ suspension, depot formulation, micro-sponges and lipid formulation, and biologics, in these markets.

We also plan to expand our capabilities to support new products that we expect to develop through our R&D efforts by making substantial investments directed towards (i) developing, and increasing our manufacturing capabilities for, novel drug delivery systems, (ii) increasing our biopharmaceuticals manufacturing capabilities to facilitate the launch of new biologics in the global markets, and (iii) transitioning to commercial mRNA vaccine production. See also "– *Research and Development*" on page 194. We intend to continue developing, and increasing our manufacturing capabilities for, novel drug delivery systems, including controlled release and high-potency injectables in lyophilized, nano-particles, liposomal form, in-situ suspension, depot formulation, micro-sponges and lipid formulation. We are also working on "ready-to-use" products that reduce multi-step dose preparation and enable ease of use by physicians. We also believe that there is limited competition globally, and therefore significant growth opportunities, in the development, production and commercialization of biopharmaceuticals and mRNA products to address life-threatening diseases across various indications. We plan to continue developing our pipeline of biologics projects, which we intend to first launch in India and, subsequently, in various international markets. For our biologics products that we have already launched in India, we intend to make the applicable regulatory filings and launch these products in Europe, Canada and other international markets, either through strategically selecting local partners or through our own on-the-ground sales in these markets. We are in the process of developing an mRNA COVID-19 vaccine, for which we benefit from funding from the Government of India, and have submitted the interim Phase I clinical trials data and the Phase II and Phase III protocol for the vaccine to the CDSCO. We are also currently in development stages for three other vaccines on our mRNA platform, for Zoster, Zika and Rabies.

We believe that our differentiated product portfolio has and will continue to protect us, to a large extent, from product price erosion resulting from price control measures. Further, we expect to derive higher profit margins as we scale our product portfolio and capabilities, and that certain new products may in the future account for significant portions of our revenue. However, such growth requires managing complexities across all aspects of

our business, including those associated with increased headcount, integration of acquisitions, expansion of international operations, expansion of manufacturing and R&D facilities, execution on new product lines and implementations of appropriate systems and controls to grow the business. The success in the growth of our product portfolio and business will affect our results of operations and cash flows. See also "*Risk Factors – Internal Risk Factors – Risks Related to Our Business – Our inability to successfully implement our business plan, expansion and growth strategies could have an adverse effect on our business, financial condition, results of operations and cash flows.*" on page 52.

Availability and Cost of Raw Materials

Our cost of materials consumed constitutes one of the largest components of our total expenses. For the Financial Years 2021, 2020 and 2019, our restated cost of materials consumed, purchases of stock-in-trade and changes in inventories of finished goods, work-in-progress and stock-in-trade, in aggregate, amounted to ₹25,215.93 million, ₹20,294.91 million and ₹17,586.84 million, respectively, accounting for 47.17%, 41.23% and 39.35%, respectively, of our restated total expenses. For the same years, our proforma cost of materials consumed, purchases of stock-in-trade and changes in inventories of finished goods, work-in-progress and stock-in-trade, in aggregate, amounted to ₹18,851.56 million, ₹14,703.59 million and ₹12,370.46 million, respectively, accounting for 44.65%, 38.30% and 35.73%, respectively, of our proforma 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 materials such as excipients, manufacturing consumables, lab chemicals and packaging materials. The finished products that we source from other pharmaceutical companies include, among others, types of branded and generic formulations such as Daonil (Glibenclamide) and Meropenem. We identify and approve multiple suppliers to source our key raw materials and we place purchase orders 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 most of our key raw materials from suppliers in India, China and Germany. For the Financial Years 2021, 2020 and 2019, no single supplier contributed to more than 5.00% our total cost of revenue.

As we continue to grow our product portfolio and increase our production capacities, we believe we will benefit from increasing economics of scale. However, we would also need to procure higher volumes of raw materials, and we typically do not enter into long-term supply contracts with any of our supplies and instead 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, and we may not be able to effectively pass on any increase in cost of raw materials to our customers, which may affect our margins, sales, results of operations and cash flows. Any inability on our part to procure sufficient quantities of raw materials and on commercially acceptable terms, could lead to a change in our manufacturing and sales volumes. See also "*Risk Factors – Internal Risk Factors – Risks Related to Our Business – Any delay, interruption or reduction in the supply or transportation of our raw materials or finished products, or an increase in the costs of such raw materials and finished products, may adversely impact the pricing and supply of our products and have an adverse effect on our business.*" on page 46.

We seek to de-risk our operations by continuing to diversify our procurement base, reduce the amount of materials that we import and procure more materials from Indian suppliers. In addition, we have invested and will continue to invest in backward integration of key starting materials to become more self-reliant and less dependent on our vendors for raw materials. Our dependence on vendors may sometimes impact our timely manufacture and delivery of products to our customers. In particular, our ability to manufacture our own APIs have allowed us to attain a significant degree of vertical integration, allowing us to source APIs in a cost effective manner, ensure quality and security of availability of an essential raw material and protect our intellectual property.

Change in Regulatory Guidelines

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 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 such as the State Food & Drug Administration, the Ministry of Biotechnology, the Ministry of Environment and the Ministry of Chemical and Fertilizer, generally for carrying out our business and for each of our manufacturing facilities. Such requisite licenses, permits and authorizations including local land use permits,

manufacturing permits, building and zoning permits, and environmental, health and safety permits. 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 (United Kingdom), Health Canada, ANVISA Brazil and EDQM (Europe), among others, both before and after a product's commercial release.

In order to serve our domestic and international markets, we have invested significant resources in the development of our manufacturing facilities, which have been built in accordance with the cGMP guidelines. Pharmaceutical companies, such as ours, have obligations to, and are required to comply with the regulations and quality standards stipulated by, regulators in India and other jurisdictions. Most of our manufacturing facilities have received several major regulatory approvals and accreditations which enable us to supply our products in regulated and other markets. We continuously invest in the improvement of our manufacturing facilities to ensure they remain in compliance with the relevant regulations and have functions dedicated to addressing improvement areas in our facilities. Our manufacturing 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 the subject of a warning letter, which could result in the withholding of product approval for new products. For example, in 2015, the USFDA inspected our three manufacturing facilities located at our Hinjawadi, Pune campus and found that the facilities were in violation of certain cGMP standards because procedures designed to prevent microbiological contamination of drug products purporting to be sterile were found inadequate. As a result, the USFDA issued an import alert on all human and animal drugs manufactured at the facilities, with the exception of a few drugs. Currently, only two products manufactured at the facilities are exempt from the import alert. See also "*Risk Factors – Internal Risk Factors – Risks Related to Our Business – Any manufacturing or quality control problems may damage our reputation, subject us to regulatory action, and expose us to litigation or other liabilities, which could adversely affect our business, financial condition and results of operations.*" on page 45.

Changes in these laws and regulations may increase our compliance costs and adversely affect our business, prospects, results of operations and financial condition. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business, prospects, results of operations and financial condition. Moreover, 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. Further, 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. See also "*Risk Factors – Internal Risk Factors – Risks Related to Our Business – We are subject to extensive government regulations and if we fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business, our business, financial condition, results of operations and cash flows may be adversely affected.*" on page 48.

Research and Development

We are focused on undertaking dedicated R&D in areas which we believe have significant growth potential. We own and operate five dedicated R&D centers in India, all of which are DSIR-approved. As of June 30, 2021, our R&D team consisted of 501 highly qualified scientists, 15 of whom are post doctorates, 39 of whom hold Ph.Ds and 381 of whom are post graduates. Our R&D efforts are focused towards (i) differentiated pharmaceutical formulations, in multiple dosage forms and novel drug delivery systems, which are capable of greater efficacy and better patient compliance, (ii) sophisticated characterization of complex molecules, (iii) niche biologics formulations, (iv) mRNA vaccines, (v) highly complex APIs that require multi-step transformation, and (vi) product and process improvements to achieve better quality and productivity. For further details, see "*Our Business – Description of Our Business – Research and Development"* on page 194. For the Financial Years 2021, 2020 and 2019, we spent ₹1,965.66 million, ₹1,631.81 million and ₹1,781.36 million, representing 3.91%, 4.06% and 5.07% of our total proforma revenue from operations, respectively, on R&D.

In particular, we believe we are a pioneer in chiral chemistry, where we have developed and marketed 11 chiral molecules, of which six were the first to be launched in India, including Levamlodipine Besilate, S-Atenolol, Dexketoprofen Trometamol, Dexrabeprazole, S-Metoprolol Succinate and S-Pantoprazole Sodium Salt, which have demonstrated greater effectiveness, safety and require lesser dosage than their non-chiral counterparts. We

have successfully commercialized multiple oncology products, such as Eribulin, which requires a 45 step synthesis process. We were also the first to launch Treosulfan under the brand name Emtreo, a chemotherapy drug used to treat ovarian cancer, in India, according to CRISIL. Further, we have developed and optimized new manufacturing processes for anti-retroviral APIs, which have allowed us to reduce our production costs and supply such APIs at more competitive prices. We were the first to launch anti-retrovirals such as Instgra and Spegra in India, according to CRISIL and we have also successfully commercialized anti-retrovirals such as Atazanavir, Ritonavir, Dolutegravir and Tenofovir. Further, our ongoing R&D is also focused on novel drug delivery systems including controlled release and high-potency injectables, in lyophilized, nano-particles and liposomal form. In addition, we have developed our own microbial and mammalian based platforms, through which we developed our portfolio of six commercialized and in-house manufactured biologics, according to CRISIL. According to CRISIL, we were the first company to domestically launch the biosimilar for Tenecteplase, commonly used for treating acute myocardial infraction, and the biosimilar for Pegaspargase, commonly used for treating patients with leukemia. We also hold the global patent for use of Tenectaplase to treat Acute Ischemic Stroke as a second indication, for which we have conducted clinical trials and received marketing authorization in India. We are in the process of developing an mRNA COVID-19 vaccine, and have submitted the interim Phase I clinical trials data and the Phase II and Phase III protocol for the vaccine to the CDSCO. We are also currently in development stages for three other vaccines on our mRNA platform, for Zoster, Zika and Rabies.

We believe that our strong in-house R&D expertise, which has allowed us to develop a differentiated portfolio of pharmaceutical products, gives us a competitive advantage in the markets in which we operate. To develop our product pipeline, we commit substantial time, funds and other resources in R&D. In addition, we must adapt to rapid changes in our industry due to technological advances and scientific discoveries. We strive to keep our technology, facilities and machinery current with the latest international standards. The cost of implementing new technologies, upgrading our manufacturing facilities and retaining our research staff affects our results of operations and cash flows. See also "*Risk Factors – Internal Risk Factors – Risks Related to Our Business – Our success depends on our ability to develop and commercialize products in a timely manner. If our R&D efforts do not succeed or the products we commercialize do not perform as expected, this may hinder the introduction of new products, and could adversely affect our business, financial condition and results of operations.*" on page 62.

Acquisitions and Partnerships

We rely, in part, on inorganic growth to increase our revenue and expand our geographic presence. We have, in the past, evaluated and executed strategic acquisitions of companies, products and technologies or entered into partnerships to strengthen our product and technology infrastructure. For example, we have made strategic acquisitions of companies, such as of Marcan in Canada in 2015 and Tillomed in the United Kingdom in 2014, which have allowed us to leverage our R&D and manufacturing capabilities in India and, at the same time, quickly and cost-efficiently establish distribution channels for our products in Canada and Europe, respectively. We have also acquired rights of pharmaceutical products, such as BiCNU, a branded oncology product prescribed for treatment of brain tumors, multiple myeloma, Hodgkin's disease and non-Hodgkin's lymphoma, which has which has allowed us to expand our presence in our existing markets as well as facilitate our entry into new markets.

We intend to continue to pursue strategic acquisitions of companies, products and facilities across key markets, in-license pharmaceutical products of other companies for our key and focus therapeutic areas, and strategically select local partners and/or establish subsidiaries with our own on-the-ground sales in our target markets. Identifying suitable acquisition and partnership opportunities can be difficult, time consuming and costly. In addition, the anticipated benefit of many of our future acquisitions and partnerships may not materialize. If an acquisition or partnership turn***s*** out to be unsuccessful, we may face additional costs as well as divest the acquisition or terminate the partnership, which can be costly and time-consuming. The benefits and costs arising from our acquisitions and partnerships affect our results of operations and cash flows.

Tax 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 the Financial Year 2017 and the Financial Year 2021, we availed income tax benefits under section 80-IB of the Income Tax Act 1961, as amended (the "**Indian Income Tax Act**") in relation to two of our manufacturing facilities in Jammu for deduction of income tax payable at the rate of 30.00% of the profits and gains derived from the facility. We are

currently availing income tax benefits under section 80-IE of the Indian Income Tax Act in relation to one of our manufacturing facilities in Sikkim for deduction of income tax payable at the rate of 100.00% of the profits and gains derived from the facility, which we will continue to be eligible for until the end of the Financial Year 2026. In addition, until the Financial Year 2020, we had availed income tax benefits under section 35(2AB) of the Indian Income Tax Act for weighted deduction of in-house R&D expenditure of 150.00% of the expenditure incurred on clinical trial research, bioequivalence studies, research expenses, tangible assets (other than land and building) and other revenue expenditure specified for deduction.

Further, under the Customs Tariff Act, 1985, we are not required to pay any customs duties on the import of capital goods or materials used in all of our export-oriented units. We have also claimed certain non-cash export incentives under the Government of India's Focused Market Scheme and Focused Product Scheme with respect to the export of certain products to certain countries during the Financial Year 2019. In addition, we have also availed export incentives under the Merchandise Export Incentive Scheme ("**MEIS**") on our exports of goods for the Financial Years 2021, 2020 and 2019 for up to ₹198.02 million, ₹232.98 million and ₹222.54 million, respectively.

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. Any decrease in or discontinuation in policies relating to tax, duties or other such levies applicable to us may affect our results of operations.*" on page 66.

Significant Accounting Policies for Our Restated Consolidated Financial Statements

The notes to our Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus contain a summary of our significant accounting policies. Set forth below is a summary of our most significant critical accounting policies under Ind AS.

Basis of Preparation

Our Restated Consolidated Financial Statements have been prepared specifically in connection with the Offer. Our Restated Consolidated Financial Statements have been prepared in accordance with Ind AS and other relevant provisions of the Companies Act. In preparing our Restated Consolidated Financial Statements, our management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Basis of Consolidation

Our Company consolidates all entities which it controls. Control is established when our Company has power over the entity, is exposed, or has rights to variable returns from our Company's involvement with the entity and has the ability to affect the entity's returns by using our Company's power over the entity. Subsidiaries are consolidated from the date control commences and until the date control ceases. Profit or loss and each component of other comprehensive income is attributed to the owners of our Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of our Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of our Company are eliminated in full on consolidation. Our Restated Consolidated Financial Statements is prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Revenue

Revenue is measured based on the consideration specified in a contract with a customer. Consideration is allocated to each performance obligation specified in the contract. Our Company recognizes revenue pertaining to each performance obligation when it transfers control over a product to a customer, which is adjusted for expected refunds, which are estimated based on the historical data, adjusted as necessary. The transaction price is also adjusted for the effect of time value of money if the contract includes a significant financing component. The consideration can be fixed or variable. Where the consideration promised in a contract includes a variable

amount, our Company estimates the amount of consideration to which it will be entitled in exchange for transferring the promised goods or services to a customer. Variable consideration is only recognized when it is highly probable that a significant reversal will not occur.

Our Company recognizes refund liability where our Company receives consideration from a customer and expects to refund some or all of that consideration to the customer. The refund liability is measured at the amount of consideration received (or receivable) for which the entity does not expect to be entitled (i.e. amounts not included in the transaction price).

Rendering of services – Other than sale of technology/know-how, rights, licenses)

Revenue from rendering of services is recognized in the statement of profit and loss by reference to the percentage completion method. Our Company is involved in rendering services related to our Company's products to customers. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on a relative fair value basis between the different services.

Rendering of services – Sale of technology/know-how, rights, licenses

Income from sale of technology/know-how, rights, licenses is recognized in accordance with the terms of the contract with customers when the related performance obligation is completed, or when risks and rewards of ownership are transferred, as applicable.

Foreign Currency Transaction, Translation and Foreign Operation

Transactions in foreign currencies are translated into the functional currency of our Company at the exchange rates at the date of the transaction or an average rate, if the average rate approximates the actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into our Company's functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into our Company's functional currency at the exchange rate when the fair value was determined. Exchange differences are recognized in the statement of profit and loss, except for exchange differences arising from the translation of (i) long term foreign currency monetary items pertaining to periods prior to our transition to Ind AS and which are related to purchase of property, plant and equipment and intangible assets, and (ii) assets and liabilities of entities with a functional currency other than our presentation currency and which have been translated to the presentation currency using exchange rates prevailing on the balance sheet date, which are recognized in in property, plant and equipment and intangible assets.

Financial Instruments

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when our Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ("**FVTPL**"), transaction costs that are directly attributable to its acquisition or issue. Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, our Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Financial assets

On initial recognition, a financial asset is classified as measured at amortized cost or FVTPL. Financial assets are not reclassified subsequent to their initial recognition, except if and in the period our Company changes its business model for managing financial assets. A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL: (i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows, and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Our Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which our Company neither

transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If our Company enters into transactions whereby our Company's transfers assets recognized on the balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Our Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. Our Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

Property, Plant and Equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimate costs of dismantling and removing the item and restoring the site on which it is located. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separated items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognized in the statement of profit and loss.

Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight line method, and is generally recognized in the statement of profit and loss. Freehold land is not depreciated. Depreciation is provided on a pro-rata basis using the straight-line method over the estimated useful lives of the assets prescribed under Schedule II to the Companies Act except that (i) furniture and fixtures at leasehold premises are depreciated over the lease period, and (ii) vehicles are depreciated over five years, as per technical evaluation. Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, our Company's management believes that its estimates of useful lives represent the period over which our Company's management expects to use these assets. Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e. from (up to) the date on which the asset is ready for use (disposed of).

Intangible Assets

Intangible assets acquired separately are measured at cost of acquisition, Intangible assets acquired under business combination are measured at fair value as of the date of business combination. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any. Intangible assets are amortized over their respective estimated useful life using straight-line method. The estimated useful life of amortizable intangibles is reviewed at the end of each reporting period and change in estimates if any are accounted for on a prospective basis.

The estimated useful lives of our intangible assets are as follows:

Intangible asset	Management's estimated useful life
Product Development, ANDAs	5 to 10 years
Customer relationships	5 years
Brands acquired	5 to 10 years
Software and license rights	2 to 10 years

Our Company, irrespective of whether there is any indication of impairment, tests an intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. The recoverable amount is the higher of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized if the carrying amount of the intangible asset not yet available for use exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss.

Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on weighted average formula, and includes expenditure incurred in acquiring the inventories, production or conversion cost and other cost incurred in bringing them to their present location and condition. In case of manufactured inventory and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expense. The net realizable value of work-in- progress is determined with reference to the selling price of related finished products. Raw materials, components and other supplies held for use in production of finished products are not written down below cost except in cases where material price have declined and it is estimated that the cost of finished products will exceed their net realizable value. The comparison of cost and net realizable value is made on an item-by-item basis. Our Company considers various factors like shelf life, ageing of inventory, product discontinuation, price changes and any other factor which impact our Company's business in determining the allowance for obsolete, non-saleable and slow moving inventories. Our Company considers the aforementioned factors and adjusts the inventory provision to reflect our Company's actual experience on a periodic basis.

Impairment

Our Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost. At each reporting date, our Company assesses whether financial assets carried at amortized cost are credit - impaired. A financial asset is "credit impaired" when one or more events that have a detrimental impact on estimated future cash flows of financial assets have occurred.

Evidence that a financial asset is credit impaired includes the following observed data: (i) significant financial difficulty of the borrower or issuer, (ii) a breach of contract such as a default or being overdue for a period of more than 12 months from the credit term offered to the customer, (iii) the restructuring of loan or advance by our Company on the terms that our Company would not consider otherwise, (iv) it is probable that borrower will enter bankruptcy or the financial reorganization, and (v) the disappearance of active market for a security because of financial difficulties.

In accordance with lnd AS 109, our Company applies the expected credit loss ("**ECL**") model for measurement and recognition of impairment loss. Our Company follows the "simplified approach" for recognition of impairment loss allowance on trade receivables, The application of the simplified approach does not require our Company to track changes in credit risk. Rather, our Company recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets our Company recognizes 12-month expected credit losses for all originated or acquired financial assets if at the reporting date, the credit risk has not increased significantly since its original recognition. However, if credit risk has increased significantly, lifetime ECL is used.

Employee Benefits

Short term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if our Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Share-based payment transactions

Share-based payment are provided to employees via our Company's Employees Stock Option Plan ("**Emcure ESOS 2013**"). Our Company accounts for the share based payment transactions as equity settled. The grant date fair value of equity settled share-based payment awards granted to employees of our Company is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

Our Company also grants the options to the employees of our Company's subsidiaries for which such subsidiaries do not have an obligation to settle the share based payment transaction. Total expense for such options issued to employees of subsidiaries is recognized as an expense and corresponding increase in share options outstanding account. If options granted are cancelled or settled during the vesting period/ after vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), then our Company immediately recognizes the remaining amount of goods and services that have not been recorded in the statement of profit and loss so far. Any payment made to the employee on the cancellation or settlement of the grant shall be accounted for as the repurchase of an equity interest, i.e. as a deduction from equity, except to the extent that the payment exceeds the fair value of the equity instruments granted, measured at the repurchase date. Any such excess shall be recognized as an expense.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Our Company makes specified monthly contributions towards Government-administered provident fund scheme. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the statement of profit or loss in the periods during which the related services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Our Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results is a potential asset for our Company, the recognized asset is limited to the present value of economic benefit available in the form of any future refunds from the plan or reductions in future contributions to the plan, i.e. the asset ceiling. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Contingent Liabilities and Contingent Assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefit will arise, the asset and related income are recognized in the period in which the change occurs. A contingent asset is disclosed, where an inflow of economic benefits is probable.

Leases

Our Company as a lessee

Our Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. Our Company uses significant judgement in assessing the lease term (including anticipated renewals} and the applicable discount rate. Our Company determines the lease term as the noncancelable period of a lease, together with both periods covered by an option to extend the lease if our Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if our Company is reasonably certain not to exercise that option. In assessing whether our Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for our Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. Our Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics. Our Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease.

Borrowing Costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Income tax

Income tax expense comprises of current and deferred tax, It is recognized in profit or loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss of the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. 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.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence at unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, our Company recognizes a deferred tax asset only to the extent that it has

sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized.

Deferred tax assets, unrecognized or recognized, are reviewed at each reporting date and are recognized/reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which our Company expects, at the reporting date, to recover or settle the carrying amount of our Company's assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Research and Development

Revenue expenditure on research and development activities is recognized as expense in the period in which it is incurred.

Key Components of our Statement of Profit and Loss Based on our Restated Consolidated Financial Statements

The following descriptions set forth information with respect to the key components of our profit and loss statements.

Revenue

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 and APIs. Revenue from sale of services comprises revenue from the provision of contract research services and the sale of marketing authorizations. Other operating revenues primarily comprises income from export incentives, scrap sales, GST refund received and government grants.

Other income. Other income primarily comprises gains on foreign exchange fluctuations, interest income under the effective interest method from banks and others, and miscellaneous income.

Expenses

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.

Purchases of stock-in-trade. Purchases of stock-in-trade relates to costs incurred for the manufacturing of our own pharmaceutical products that we outsource to other pharmaceutical companies from time to time, as well as purchases of in-licensed formulation products.

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 and APIs.

Employee benefit expenses. Employee benefits expenses comprise salaries, wages and bonus, contribution to provident and other funds, staff welfare expenses, employee share-based payment expenses and gratuity.

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 marketing authorizations, customer relationships, brands acquired, licensing rights and software licenses.

Finance cost. Finance cost primarily comprises interest on long-term borrowings and short-term borrowings measured at amortized cost, other borrowing costs, interest accrued on lease liability and unwinding of discount on contingent consideration, which relates to consideration payable to the selling shareholders of Marcan pursuant to the asset and share purchase agreement entered in relation to our acquisition of Marcan in 2015.

Other expenses. Other expenses primarily comprise expenses relating to legal and professional fees, factory consumables, advertisement and promotional materials, power and fuel, freight, inventory handling charges, travelling and conveyance, and miscellaneous expenses.

Tax Expense

Tax expense consists of current tax and deferred tax.

Our Results of Operations Based on our Restated Consolidated Financial Statements

The following table sets forth our selected restated financial data from our restated statement of profit and loss for the Financial Years 2021, 2020 and 2019, the components of which are also expressed as a percentage of restated total income for such periods:

	For the Financial Year Ended March 31,					
	2021		2020		2019	
	(₹ in millions, except percentages)					
Revenue:						
Revenue from operations	60,564.15	99.42%	50,485.54	98.40%	47,171.83	97.96%
Other income	353.91	0.58%	823.06	1.60%	984.07	2.04%
Total income	**60,918.06**	**100.00%**	**51,308.60**	**100.00%**	**48,155.90**	**100.00%**
Expenses:						
Cost of materials consumed	14,366.31	23.58%	9,002.22	17.55%	7,812.08	16.22%
Purchases of stock-in-trade	13,375.88	21.96%	11,273.59	21.97%	11,096.54	23.04%
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2,526.26)	(4.15)%	19.10	0.04%	(1,321.78)	(2.74)%
Employee benefit expenses	11,021.25	18.09%	11,056.20	21.55%	10,103.30	20.98%
Depreciation and amortization expense	3,233.10	5.31%	3,208.34	6.25%	2,997.76	6.23%
Finance cost	1,981.32	3.25%	2,565.97	5.00%	2,363.55	4.91%
Other expenses	12,007.25	19.71%	12,095.04	23.57%	11,643.50	24.18%
Total expenses	**53,458.85**	**87.76%**	**49,220.46**	**95.93%**	**44,694.95**	**92.81%**
Profit before exceptional items and tax	**7,459.21**	**12.24%**	**2,088.14**	**4.07%**	**3,460.95**	**7.19%**
Exceptional items	885.94	1.45%	1,034.79	2.02%	234.58	0.49%
Profit before tax	**6,573.27**	**10.79%**	**1,053.35**	**2.05%**	**3,226.37**	**6.70%**
Tax expenses:						
Current tax	2,008.92	3.30%	316.55	0.62%	2,125.58	4.41%
Deferred tax	378.41	0.62%	(269.30)	(0.52)%	(928.89)	(1.93)%
Profit for the year	**4,185.94**	**6.87%**	**1,006.10**	**1.96%**	**2,029.68**	**4.21%**

Financial Year 2021 Compared to Financial Year 2020

Total income. Total income increased by 18.73% to ₹60,918.06 million for the Financial Year 2021 from ₹51,308.60 million for the Financial Year 2020 due to an increase in revenue from operations, offset by a decrease in other income.

Revenue from operations. Revenue from operations increased by 19.96% to ₹60,564.15 million for the Financial Year 2021 from ₹50,485.54 million for the Financial Year 2020 due to a 19.50% increase in revenue from sale of products to ₹59,418.37 million from ₹49,721.55 million and a 98.54% increase in revenue from sale of services to ₹648.82 million from ₹326.79 million. These increases were attributable to (i) a 29.86% increase in sales outside of India to ₹35,798.13 million from ₹27,567.23 million, primarily driven by higher volumes of existing products sold as well as new product launches, and (ii) an 8.06% increase in sales in India to

₹24,766.02 million from ₹22,918.31 million, primarily driven by higher sales in our cardiovascular, vitamins, minerals and nutrients, anti-diabetic and HIV antivirals therapeutic areas, as well as higher revenue from the provision of contract research services and government grants received for product development.

Other income. Other income decreased by 57.00% to ₹353.91 million for the Financial Year 2021 from ₹823.06 million for the Financial Year 2020 primarily due to decreases in (i) gains on foreign exchange fluctuation (net) to ₹147.92 million from ₹464.30 million, which was mainly attributable to unfavorable movements in cross-currency exchange rates, and (ii) miscellaneous income to ₹128.23 million from ₹336.90 million which was mainly attributable to write-backs of certain creditor balances and proceeds from an insurance claim recorded in the Financial Year 2020. The decrease in other income was partially offset by an increase in interest income under the effective interest method from banks and others to ₹73.53 million from ₹21.86 million, which was mainly attributable to interest on income tax refund recorded in the Financial Year 2021, while no such refund was recorded in the Financial Year 2020.

Total expenses. Total expenses increased by 8.61% to ₹53,458.85 million for the Financial Year 2021 from ₹49,220.46 million for the Financial Year 2020 primarily due to increases in cost of materials consumed and purchases in stock-in-trade, partially offset by decreases in changes in inventories of finished goods, work-in-progress and stock-in-trade.

Cost of materials consumed. Cost of materials consumed increased by 59.59% to ₹14,366.31 million for the Financial Year 2021 from ₹9,002.22 million for the Financial Year 2020 primarily due to increases in (i) cost of raw materials consumed during the year to ₹12,662.42 million from ₹7,660.01 million, and (ii) cost of packing materials consumed during the year to ₹1,703.89 million from ₹1,342.21 million, both of which were mainly attributable to changes in our product mix and higher volumes of products manufactured.

Purchases of stock-in-trade. Purchases of stock-in-trade increased by 18.65% to ₹13,375.88 million for the Financial Year 2021 from ₹11,273.59 million for the Financial Year 2020 primarily due to changes in our product mix and higher volumes of products sold.

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 ₹(2,526.26) million for the Financial Year 2021 as compared to ₹19.10 million for the Financial Year 2020. For the Financial Year 2021, we had an opening inventory of ₹7,565.31 million and a closing inventory of ₹10,091.57 million. For the Financial Year 2020, we had an opening inventory of ₹7,584.41 million and a closing inventory of ₹7,565.31 million.

Tax expenses. Our total tax expense significantly increased to ₹2,387.33 million for the Financial Year 2021 from ₹47.25 million for the Financial Year 2020. For the Financial Year 2021, we had a current tax expense of ₹2,008.92 million and a deferred tax expense of ₹378.41 million. For the Financial Year 2020, we had a current tax expense of ₹316.55 million and a deferred tax credit of ₹(269.30) million. Our effective tax rate (which represents income tax expense expressed as a percentage of profit before tax for the relevant period) was 36.32% and 4.48% for the Financial Years 2021 and 2020, respectively.

Profit for the year. As a result of the foregoing, our profit for the year significantly increased to ₹4,185.94 million for the Financial Year 2021 from ₹1,006.10 million for the Financial Year 2020.

Financial Year 2020 Compared to Financial Year 2019

Total income. Total income increased by 6.55% to ₹51,308.60 million for the Financial Year 2020 from ₹48,155.90 million for the Financial Year 2019 due to an increase in revenue from operations, offset by a decrease in other income.

Revenue from operations. Revenue from operations increased by 7.02% to ₹50,485.54 million for the Financial Year 2020 from ₹47,171.83 million for the Financial Year 2019 due to a 6.75% increase in revenue from sale of products to ₹49,721.55 million from ₹46,578.49 million and a significant increase in revenue from sale of services to ₹326.79 million from ₹114.11 million. These increases were attributable to (i) an 11.91% increase in sales in India to ₹22,918.31 million from ₹20,478.49 million, primarily driven by higher sales in our gynecology and vitamins, minerals and nutrients therapeutic areas as well as higher revenue from the provision of contract research services and sale of marketing authorizations, and (ii) a 3.27% increase in sales outside India to ₹27,567.23 million from ₹26,693.34 million, primarily driven by higher volumes of existing products sold as well as new product launches.

Other income. Other income decreased by 16.36% to ₹823.06 million for the Financial Year 2020 from ₹984.07 million for the Financial Year 2019 primarily due to stock appreciation rights liability written back of ₹244.24 million recorded in the Financial Year 2019 relating to closure and settlement of our stock appreciation rights scheme, while no such income was recorded in the Financial Year 2020. The decrease in other income was partially offset by an increase in gains on foreign exchange fluctuation (net) to ₹464.30 million from ₹309.08 million, which was mainly attributable to favorable movements in cross-currency exchange rates.

Total expenses. Total expenses increased by 10.13% to ₹49,220.46 million for the Financial Year 2020 from ₹44,694.95 million for the Financial Year 2019 primarily due to increases in changes in inventories of finished goods, work-in-progress and stock-in-trade, cost of materials consumed, employee benefit expenses and depreciation and amortization expense.

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 ₹19.10 million for the Financial Year 2020 as compared to ₹(1,321.78) million for the Financial Year 2019. For the Financial Year 2020, we had an opening inventory of ₹7,584.41 million and a closing inventory of ₹7,565.31 million. For the Financial Year 2019, we had an opening inventory of ₹6,262.63 million and a closing inventory of ₹7,584.41 million.

Cost of materials consumed. Cost of materials consumed increased by 15.23% to ₹9,002.22 million for the Financial Year 2020 from ₹7,812.08 million for the Financial Year 2019 primarily due to increases in (i) cost of raw materials consumed during the year to ₹7,660.01 million from ₹6,698.56 million, and (ii) cost of packing materials consumed during the year to ₹1,342.21 million from ₹1,113.52 million, both of which were mainly attributable to changes in our product mix and higher volumes of products manufactured.

Employee benefit expenses. Employee benefit expenses increased by 9.43% to ₹11,056.20 million for the Financial Year 2020 from ₹10,103.30 million for the Financial Year 2019 primarily due to increases in (i) salaries, wages and bonus to ₹9,670.28 million from ₹8,840.33 million, which was mainly attributable to annual increments in employee salaries and wages, (ii) employee share-based payment expenses to ₹144.19 million from ₹52.87 million, which was mainly attributable to settlement of certain stock appreciation rights during the Financial Year 2020, and (iii) contribution to provident and other funds to ₹663.06 million from ₹576.39 million, which was mainly attributable to higher contributions made in line with the annual increments in salaries and wages. The increase in employee benefit expenses was partially offset by a decrease in staff welfare expenses to ₹461.13 million from ₹524.91 million, which was mainly attributable to a one-time compensation package paid to certain employees during the Financial Year 2019.

Depreciation and amortization expense. Depreciation and amortization expense increased by 7.02% to ₹3,208.34 million for the Financial Year 2020 from ₹2,997.76 million for the Financial Year 2019 primarily due to an increase in depreciation on property, plant and equipment to ₹1,845.31 million from ₹1,684.91 million, which was mainly attributable to additional plant and equipment purchased for our manufacturing facilities.

Tax expenses. Our total tax expense decreased by 96.05% to ₹47.25 million for the Financial Year 2020 from ₹1,196.69 million for the Financial Year 2019. For the Financial Year 2020, we had a current tax expense of ₹316.55 million and a deferred tax credit of ₹(269.30) million. For the Financial Year 2019, we had a current tax expense of ₹2,125.58 million and a deferred tax credit of ₹(928.89) million. Our effective tax rate (which represents income tax expense expressed as a percentage of profit before tax for the relevant period) was 4.48% and 37.07% for the Financial Years 2020 and 2019, respectively.

Profit for the year. As a result of the foregoing, our profit for the year decreased by 50.43% to ₹1,006.10 million for the Financial Year 2020 from ₹2,029.68 million for the Financial Year 2019.

Basis of Preparation of the Proforma Condensed Consolidated Financial Information

On November 30, 2020, we filed a Composite Scheme of Arrangement with the National Company Law Tribunal in Mumbai (the "**NCLT**"), pursuant to which we have divested all of our holdings in our U.S. operations into Avet Lifesciences Limited ("**Avet Life**") (the "**De-merger**"). The NCLT by its order dated June 4, 2021 has sanctioned the above scheme of De-merger, which is effective from April 1, 2021. The divested U.S. operations under the De-merger includes all business activities of our Company conducted directly or through subsidiaries in the United States, including registration, manufacturing, R&D, marketing, sales, and promotion and distribution activities, but excludes our API and antiretrovirals ANDA activities relating to the U.S. President's Emergency Plan for AIDS Relief (PEPFAR). The remaining businesses of our Company and all our assets, properties, liabilities and investments in shares and other securities, activities, operations, shall

continue to belong to and be vested in and be managed by our Company. For further details, see "*History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/undertakings, mergers or amalgamation, and any revaluation of assets in the last 10 years*" beginning on page 213.

Our Proforma Condensed Consolidated Financial Information included in this Draft Red Herring Prospectus has been prepared, and presents a theoretical situation, to demonstrate the effects of the De-merger on our Company, including the results on operations and the financial position that would have resulted as if the De-merger had taken place at the earliest of the periods presented in our Proforma Condensed Consolidated Financial Information, i.e. April 1, 2018. Our Proforma Condensed Consolidated Financial Information has not been audited and is presented for illustrative purposes only. Because of its nature, our Proforma Condensed Consolidated Financial Information does not represent our Company's factual financial position or results. It purports to indicate the results of operations and the financial position that would have resulted had the De-Merger been completed at the date prior to the first period presented but is not intended to be indicative of expected results or operations in the future periods or the future financial position of our Company. See also "*Risk Factors – Internal Risk Factors – Risks Related to our Business – We have de-merged our U.S. operations and have an indemnity from the resulting entity in relation to investigations by U.S. regulatory authorities and various ongoing civil and regulatory proceedings in the United States. However, we may incur additional expenses and losses in connection with such matters.*" and "*Risk Factors – Internal Risk Factors – Risks Related to our Business – The Proforma Condensed Consolidated Financial Information included in this Draft Red Herring Prospectus to reflect the De-merger of our U.S. operations 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 53 and 72, respectively.

Our Proforma Condensed Consolidated Financial Information included herein has been prepared on the basis as stated in the following section "*Proforma Adjustments*" and, accordingly, should not be relied upon as if it had been prepared in accordance with the generally accepted accounting principles. The proforma adjustments are based upon available information and assumptions that the management of our Company believes to be reasonable. In addition, the rules and regulations related to the preparation of proforma financial information in other jurisdictions may also vary significantly from the basis of preparation as set out below. In particular, our unaudited proforma consolidated financial information has not been prepared or presented in compliance with the published guidelines of Article 11 of Regulation S-X promulgated by the U.S. Securities and Exchange Commission for the preparation and presentation of proforma financial information. As a result, investors should not rely on the report or our procedures on our Proforma Condensed Consolidated Financial Information included in this Draft Red Herring Prospectus as if the they had been carried out in accordance with the aforementioned standards.

Proforma Adjustments

Prior to the De-merger, our Company was engaged in the R&D and manufacturing of pharmaceutical products for the U.S. markets, and sold these products in the U.S. markets through subsidiaries located in the United States. The intellectual property and ANDAs for these products were held by our Company in our own name. The products were manufactured at either our Company's own manufacturing facilities or outsourced to external manufacturing partners. Our Company's U.S. subsidiaries acted as front-end sales and marketing entities for these products while also developing, manufacturing and selling their own products.

Following the De-merger, which is effective as of April 1, 2021, the intellectual property and ANDAs owned by our Company in relation to products for the U.S. markets were transferred to Avet Life, along with our Company's investments in U.S. US subsidiaries, other assets and other liabilities. Accordingly, following the De-merger, such U.S. subsidiaries are no longer part of our Company and are acting as front-end sales and marketing entities for Avet Life. In addition, following the De-merger, our Company is engaged in contract manufacturing of finished pharmaceutical products for Avet Life, and is no longer the owner of the pharmaceutical products manufactured for the U.S. markets. Further, our Company's contracts with external manufacturing partners for the manufacturing of products for the U.S. markets have been novated as a result of the De-merger. As a result, such products will now be directly sold by such external manufacturing facilities to Avet Life, and our Company will no longer be party to the sale of such products.

As such, in preparing our Proforma Condensed Consolidated Financial Information, the following adjustments have been made to our Company's historical financial information as if the De-merger took place on April 1, 2018:

(a) The sales pertaining to goods supplied to U.S. subsidiaries which were produced by external manufacturing partners for our Company and sold by our Company to its U.S. subsidiaries prior to the De-merger (which are now Avet Life's subsidiaries following the De-merger), as well as resultant costs, have been carved out.

(b) As our Company has signed an agreement with Avet Life to manufacture certain products as contract manufacturer, which were owned and manufactured by our Company as principal prior to the De-merger, the value of such sales have been adjusted to reflect sales value that will be earned by our Company as contract manufacturer and not principal following the De-merger.

(c) The incidental income earned and cost incurred due to the sales described in (a) and (b) above such as, among others, exchange gain, export incentive earned and consultancy costs have been carved out.

(d) Income earned and costs incurred relating to the intellectual property and ANDAs owned by our Company prior to the De-merger (and transferred to Avet Life as part of the De-merger) in relation to products for the U.S. markets including R&D costs, USFDA program fees, filing fees and other income and costs, have been carved out.

(e) On April 1, 2021, our Company transferred all the assets (including investments and loans and advances in US Subsidiaries), liabilities and reserves to the De-merged U.S. entities at book value to Avet Life. Effect has been given in all the balance sheet in our Proforma Condensed Consolidated Financial Information to remove assets, liability and reserves relating to the De-merged U.S. entities at book value as if the demerger happened on April 1, 2018. Incidental income earned and cost incurred relating to those assets and liabilities such as, among others, depreciation, interest income, interest expenses, provision for doubtful debts, have also been carved out.

(f) Reserves as of March 31, 2021 have been apportioned between our Company and Avet Life to reflect our Company's transfer of capital reserve, general reserve, securities premium and retained earnings to Avet Life on April 1, 2021, the effective date of the De-merger. The difference between the assets, liabilities and reserves transferred to Avet Life has first been adjusted against the capital reserve account, securities premium account and the balance against general reserve account as per the approved scheme for the De-merger. These adjustments have been made to our Company's financial information as of March 31, 2021. Accordingly, we have followed the roll-back approach to derive the opening balance of each reserve.

(g) The effect for carving out of assets, liabilities and reserves as explained in (e) and (f) above has been given effect as of April 1, 2018, the earliest period presented in our Proforma Condensed Consolidated Financial Information. Therefore, therefore subsequent changes in assets, liabilities and reserves have been accumulated under inter-segment account and have been disclosed under non-current other financial liabilities. The balance of the inter-segment account as of March 31, 2021 is nil as actual assets, liabilities and reserves have been transferred as of March 31, 2021.

(h) Adjustments have been made to tax expenses to reflect the difference between current tax expense as per the earlier standalone audited financial statements of our Company, and the revised current tax expense for the standalone numbers of our Company has been calculated as if the De-merger had taken place at the earliest of the periods presented in our Proforma Condensed Consolidated Financial Information, i.e. April 1, 2018.

(i) Adjustments have been made to reflect our Company's loss of control of the De-merged U.S. subsidiaries as if the De-merger had taken place at the earliest of the periods presented in our Proforma Condensed Consolidated Financial Information, i.e. April 1, 2018. The same has been adjusted in retained earnings of March 31, 2019.

Our Results of Operations Based on Our Proforma Condensed Consolidated Financial Information

The following table sets forth our selected proforma financial data from our proforma statement of profit and loss for the Financial Years 2021, 2020 and 2019, the components of which are also expressed as a percentage of total proforma income for such periods:

	For the Financial Year Ended March 31,					
	2021		2020		2019	
	(₹ in millions, except percentages)					
Revenue:						
Revenue from operations	50,334.74	99.33%	40,172.09	98.73%	35,135.54	99.45%
Other income	338.76	0.67%	515.28	1.27%	194.20	0.55%
Total income	**50,673.50**	**100.00%**	**40,687.37**	**100.00%**	**35,329.74**	**100.00%**
Expenses:						
Cost of materials consumed	11,895.98	23.48%	7,007.02	17.22%	6,403.01	18.12%
Purchases of stock-in-trade	9,990.85	19.72%	7,292.55	17.92%	6,462.82	18.29%
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(3,035.27)	(5.99)%	404.02	0.99%	(495.37)	(1.40)%
Employee benefit expenses	9,028.06	17.82%	8,866.15	21.79%	8,185.77	23.17%
Depreciation and amortization expense	2,499.94	4.93%	2,573.25	6.32%	2,375.22	6.72%
Finance cost	1,549.41	3.06%	1,923.81	4.73%	1,936.22	5.48%
Other expenses	10,292.31	20.31%	10,328.39	25.38%	9,756.80	27.62%
Total expenses	**42,221.28**	**83.32%**	**38,395.19**	**94.37%**	**34,624.47**	**98.00%**
Profit before exceptional items and tax	**8,452.22**	16.68%	**2,292.18**	5.63%	**705.27**	2.00%
Exceptional items	45.25	0.09%	125.57	0.31%	126.72	0.36%
Profit before tax	**8,406.97**	**16.59%**	**2,166.61**	**5.33%**	**578.55**	**1.64%**
Tax expenses:						
Current tax	2,620.02	5.17%	918.22	2.26%	582.00	1.65%
Deferred tax	(285.57)	(0.56)%	(373.34)	(0.92)%	(614.10)	(1.74)%
Profit for the year	**6,072.52**	**11.98%**	**1,621.73**	**3.99%**	**610.65**	**1.73%**

Financial Year 2021 Compared to Financial Year 2020

Total income. Total income increased by 24.54% to ₹50,673.50 million for the Financial Year 2021 from ₹40,687.37 million for the Financial Year 2020 due to an increase in revenue from operations, offset by a decrease in other income.

Revenue from operations. Revenue from operations increased by 25.30% to ₹50,334.74 million for the Financial Year 2021 from ₹40,172.09 million for the Financial Year 2020 due to increases in revenue from sale of products and revenue from sale of services, which were attributable to (i) a 49.49% increase in sales outside India to ₹25,233.45 million from ₹16,879.35 million, primarily driven by higher volumes of existing products sold as well as new product launches, and (ii) a 7.76% increase in sales in India to ₹25,101.29 million from ₹23,292.74 million, primarily driven by higher sales in our cardiovascular, vitamins, minerals and nutrients, anti-diabetic and HIV antivirals therapeutic areas, as well as higher revenue from the provision of contract research services and government grants received for product development.

Other income. Other income decreased by 34.26% to ₹338.76 million for the Financial Year 2021 from ₹515.28 million for the Financial Year 2020 primarily due to decreases in gains on foreign exchange fluctuation (net), which was mainly attributable to unfavorable movements in cross-currency exchange rates, and (ii) miscellaneous income, which was mainly attributable to write-backs of certain creditor balances and reversal of provisions recorded in the Financial Year 2020. The decrease in other income was partially offset by an increase in interest income under the effective interest method from banks and others, which was mainly attributable to an interest on income tax refund recorded in the Financial Year 2021, while no such refund was recorded in the Financial Year 2020.

Total expenses. Total expenses increased by 9.97% to ₹42,221.28 million for the Financial Year 2021 from ₹38,395.19 million for the Financial Year 2020 primarily due to increases in cost of materials consumed and purchases in stock-in-trade, partially offset by decreases in changes in inventories of finished goods, work-in-progress and stock-in-trade.

Cost of materials consumed. Cost of materials consumed increased by 69.77% to ₹11,895.98 million for the Financial Year 2021 from ₹7,007.02 million for the Financial Year 2020 primarily due to increases in cost of raw materials consumed during the year and cost of packing materials consumed during the year, both of which were mainly attributable to changes in our product mix and higher volumes of products manufactured.

Purchases of stock-in-trade. Purchases of stock-in-trade increased by 37.00% to ₹9,990.85 million for the Financial Year 2021 from ₹7,292.55 million for the Financial Year 2020 primarily due to changes in our product mix and higher volumes of products sold.

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 ₹(3,035.27) million for the Financial Year 2021 as compared to ₹404.02 million for the Financial Year 2020.

Tax expenses. Our total tax expense consists of current tax and deferred tax. For the Financial Year 2021, we had a current tax expense of ₹2,620.02 million and a deferred tax credit of ₹(285.57) million. For the Financial Year 2020, we had a current tax expense of ₹918.22 million and a deferred tax credit of ₹373.34 million. Our effective tax rate (which represents income tax expense expressed as a percentage of profit before tax for the relevant period) was 27.77% and 25.15% for the Financial Years 2021 and 2020, respectively.

Profit for the year. As a result of the foregoing, our profit for the year significantly increased to ₹6,072.52 million for the Financial Year 2021 from ₹1,621.73 million for the Financial Year 2020.

Financial Year 2020 Compared to Financial Year 2019

Total income. Total income increased by 15.16% to ₹40,687.37 million for the Financial Year 2020 from ₹35,329.74 million for the Financial Year 2019 due to increases in revenue from operations and other income.

Revenue from operations. Revenue from operations increased by 14.33% to ₹40,172.09 million for the Financial Year 2020 from ₹35,135.54 million for the Financial Year 2019 due to increases in revenue from sale of products and revenue from sale of services, which were attributable to (i) a 17.99% increase in sales outside India to ₹16,879.35 million from ₹14,306.18 million, primarily driven by higher volumes of existing products sold as well as new product launches, and (ii) an 11.83% increase in sales in India to ₹23,292.74 million from ₹20,829.35 million, primarily driven by higher sales in our gynecology and vitamins, minerals and nutrients therapeutic areas, as well as higher revenue from the provision of contract research services and sale of marketing authorizations.

Other income. Other income significantly increased to ₹515.28 million for the Financial Year 2020 from ₹194.20 million for the Financial Year 2019 primarily due to increases in (i) gains on foreign exchange fluctuation (net), which was mainly attributable to favorable movements in cross-currency exchange rates, and (ii) miscellaneous income, which was mainly attributable to write-backs of certain creditor balances and reversal of provisions recorded in the Financial Year 2020.

Total expenses. Total expenses increased by 10.89% to ₹38,395.19 million for the Financial Year 2020 from ₹34,624.47 million for the Financial Year 2019 primarily due to increases in changes in inventories of finished goods, work-in-progress and stock-in-trade as well as increases in purchases of stock-in-trade, employee benefit expenses, cost of materials consumed and other expenses.

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 ₹404.02 million for the Financial Year 2021 as compared to ₹(495.37) million for the Financial Year 2020.

Purchases of stock-in-trade. Purchases of stock-in-trade increased by 12.84% to ₹7,292.55 million for the Financial Year 2020 from ₹6,462.82 million for the Financial Year 2019 primarily due to changes in our product mix and higher volumes of products sold.

Employee benefit expenses. Employee benefit expenses increased by 8.31% to ₹8,866.15 million for the Financial Year 2020 from ₹8,185.77 million for the Financial Year 2019 primarily due to increases in (i) salaries, wages and bonus, which was mainly attributable to annual increments in employee salaries and wages, and (ii) contribution to provident and other funds, which was mainly attributable to higher contributions made in line with the annual increments in salaries and wages. The increase in employee benefit expenses was partially offset by a decrease in staff welfare expenses, which was mainly attributable to a one-time compensation package paid to certain employees during the Financial Year 2019.

Cost of materials consumed. Cost of materials consumed increased by 9.43% to ₹7,007.02 million for the Financial Year 2020 from ₹6,403.01 million for the Financial Year 2019 primarily due to increases in cost of

raw materials consumed during the year and cost of packing materials consumed during the year, both of which were mainly attributable to changes in our product mix and higher volumes of products manufactured.

Tax expenses. Our total tax expense consists of current tax and deferred tax. For the Financial Year 2020, we had a current tax expense of ₹918.22 million and a deferred tax credit of ₹(373.34) million. For the Financial Year 2019, we had a current tax expense of ₹582.00 million and a deferred tax credit of ₹(614.10) million. Our effective tax rate (which represents income tax expense expressed as a percentage of profit before tax for the relevant period) was 25.15% and 5.55% for the Financial Years 2020 and 2019, respectively.

Profit for the year. As a result of the foregoing, our profit for the year significantly increased to ₹1,621.73 million for the Financial Year 2020 from ₹610.65 million for the Financial Year 2019.

Liquidity and Capital Resources Based on Our Restated Consolidated Financial Statements

Our primary sources of liquidity include cash generated from operations and from debt borrowings, both short-term and long-term, including cash credit, term and working capital facilities. As of March 31, 2021, we had restated cash and cash equivalents of ₹4,687.46 million and restated term deposits with banks (current and non-current portion) of ₹630.72 million. As of June 30, 2021, we had undrawn facilities of ₹2,659.96 million.

Our financing requirements are primarily for working capital and investments in our business such as capital expenditures. We expect that cash flow from operations will continue to be our principal sources of funds in the long-term. We evaluate our funding requirements periodically in light of our net cash flow from operating activities, the requirements of our business and operations, acquisition opportunities and market conditions.

Cash Flows Based on our Restated Consolidated Financial Statements

The following table summarizes our restated cash flows data for the periods indicated:

	For the Financial Year Ended March 31,		
	2021	**2020**	**2019**
		(₹ in millions)	
Net cash generated from operating activities	7,044.35	5,003.02	4,826.27
Net cash used in investing activities	(2,518.48)	(1,637.60)	(4,086.29)
Net cash used in financing activities	(1,889.04)	(3,005.12)	(7,734.69)
Net increase/(decrease) in cash and cash equivalents	**2,636.83**	**360.30**	**(6,994.71)**
Cash and cash equivalent at the beginning of the year[(1)]	(6,091.08)	(6,409.64)	586.49
Effect of exchange rate fluctuations on cash and cash equivalent	(46.17)	(41.74)	(1.42)
Cash and cash equivalent at the end of the year[(1)]	**(3,500.42)**	**(6,091.08)**	**(6,409.64)**

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 generated from operating activities was ₹7,044.35 million in the Financial Year 2021. We had profit before tax of ₹6,573.27 million for the Financial Year 2021, which was primarily adjusted for depreciation and amortization of ₹3,233.10 million, finance costs of ₹1,981.32 million, impairment of intangible assets of ₹436.95 million and unrealized exchange loss (net) of ₹190.23 million. This was further adjusted for an increase in working capital of ₹3,345.54 million, which was mainly attributable to increase in inventories of ₹3,412.80 million, increase in trade receivables of ₹3,301.48 million and increase in trade payables of ₹2,315.31 million, mainly driven by the growth of our business. As a result, cash generated from operating activities in the Financial Year 2021 was ₹9,048.68 million before adjusting for income tax paid of ₹2,004.33 million.

Net cash generated from operating activities was ₹5,003.02 million in the Financial Year 2020. We had profit before tax of ₹1,053.35 million for the Financial Year 2020, which was primarily adjusted for depreciation and amortization of ₹3,208.34 million, finance costs of ₹2,565.97 million and unrealized exchange loss (net) of ₹138.21 million. This was further adjusted for an increase in working capital of ₹1,239.81 million, which was mainly attributable to increase in trade receivables of ₹1,731.79 million, increase in trade payables of ₹553.62 million, increase in inventories of ₹454.05 million, decrease in other financial assets of ₹437.65 million and

decrease in other financial liabilities of ₹392.54 million, mainly driven by the growth of our business. As a result, cash generated from operating activities in the Financial Year 2020 was ₹5,924.53 million before adjusting for income tax paid of ₹921.51 million.

Net cash generated from operating activities was ₹4,826.27 million in the Financial Year 2019. We had profit before tax of ₹3,226.37 million for the Financial Year 2019, which was primarily adjusted for depreciation and amortization of ₹2,997.76 million, finance costs of ₹2,363.55 million and unrealized exchange loss (net) of ₹319.29 million. This was further adjusted for an increase in working capital of ₹1,490.91 million, which was mainly attributable to increase in inventories of ₹1,996.48 million, increase in trade receivables of ₹1,018.92 million, increase in trade payables of ₹635.22 million and increase in other financial liabilities of ₹548.00 million, mainly driven by the growth of our business. As a result, cash generated from operating activities in the Financial Year 2019 was ₹6,170.90 million before adjusting for income tax paid of ₹1,344.63 million.

Restated net cash used in investing activities

Net cash used in investing activities was ₹2,518.48 million in the Financial Year 2021. This was primarily due to acquisition of property, plant and equipment, and capital work-in-progress of ₹1,254.05 million and purchase consideration paid on acquisition of subsidiary, net of cash acquired of ₹1,115.51 million.

Net cash used in investing activities was ₹1,637.60 million in the Financial Year 2020. This was primarily due to acquisition of property, plant and equipment, and, capital work-in-progress of ₹1,153.03 million, acquisition of intangible assets and intangible assets under development of ₹393.48 million and deposits placed (net of amounts matured) of ₹270.45 million, partially offset by proceeds from sale of property, plant and equipment of ₹166.14 million.

Net cash used in investing activities was ₹4,086.29 million in the Financial Year 2019. This was primarily due to acquisition of property, plant and equipment, and capital work-in-progress of ₹3,268.05 million, acquisition of intangible assets and intangible assets under development of ₹901.87 million, partially offset by proceeds from sale of property, plant and equipment of ₹114.95 million.

Restated net cash used in financing activities

Net cash used in financing activities was ₹1,889.04 million in the Financial Year 2021. This was primarily due to repayment of long-term borrowings of ₹4,110.75 million, interest paid of ₹1,844.83 million, payment of short-term borrowings (net) of ₹981.67 million and repayment of lease liabilities of ₹436.80 million, partially offset by proceeds from long-term borrowings of ₹5,774.88 million.

Net cash used in financing activities was ₹3,005.12 million in the Financial Year 2020. This was primarily due to repayment of long-term borrowings of ₹3,651.60 million, interest paid of ₹2,023.81 million, repayment of lease liabilities of ₹415.54 million, interim dividend paid (and related dividend distribution tax) of ₹327.04 million and final dividend paid (and related dividend distribution tax) of ₹218.02 million, partially offset by proceeds from long-term borrowings of ₹1,952.49 million and proceeds from short-term borrowings (net) of ₹1,772.20 million.

Net cash used in financing activities was ₹7,734.69 million in the Financial Year 2019. This was primarily due to repayment of long-term borrowings of ₹7,157.74 million, payment of short-term borrowings (net) of ₹2,083.17 million, interest paid of ₹1,994.84 million, interim dividend paid (and related dividend distribution tax) of ₹545.07 million, final dividend paid (and related dividend distribution tax) of ₹436.05 million and repayment of lease liabilities of ₹383.89 million, partially offset by proceeds from long-term borrowings of ₹4,888.29 million.

Capital Expenditure Based on our Restated Consolidated Financial Statements

Our capital expenditures primarily relate to the purchase of property, plant and equipment and intangible assets (including computers, furniture and other fixtures, vehicles, office equipment, leasehold improvements and software) and consideration paid for acquisitions. For the Financial Years 2021, 2020 and 2019, our restated capital expenditures relating to the purchase of property, plant and equipment and intangible assets amounted to ₹1,857.96 million, ₹1,464.95 million and ₹4,620.07 million, respectively. For a detailed calculation of such capital expenditure figures, see "*Other Financial Information – Other reconciliations and information*" on page

345. For the Financial Years 2021 and 2019, restated purchase consideration paid on acquisition of subsidiary amounted to ₹1,115.51 million and ₹40.29 million, respectively.

Financial Indebtedness Based on our Restated Consolidated Financial Statements

As of March 31, 2021, we had total borrowings (which includes non-current borrowings, current borrowings and current maturities of long-term borrowings, and excludes transaction costs) amounting to ₹23,328.69 million, which primarily consisted of term loans from banks and working capital loans. For a detailed calculation of our total borrowings, see "*Other Financial Information – Reconciliation of non-GAAP measures*" on page 344. For further details related to our indebtedness, see "*Financial Indebtedness*" beginning on page 378.

As of March 31, 2021, we had provided a corporate guarantee of US$75.00 million in relation to Heritage's commitments under one of its working capital facilities. We are currently in discussions with the lenders under the working capital facility on the release of the corporate guarantee following the De-merger of our U.S. operations from our Company, which became effective from April 1, 2021, but expect the corporate guarantee to remain for the financial years 2022 and 2023. We have also provided corporate guarantees to our subsidiaries, Marcan, Tillomed, Gennova Biopharmaceuticals Limited and Emcure Pharmaceuticals Mena FZ-LLC, and may from time to time provide additional corporate guarantees to our other subsidiaries. See also "*Risk Factors – Internal Risk Factors – Risks Related to Our Business – Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, financial condition, results of operations and cash flows.*" on page 67.

Capital and Other Commitments Based on Our Restated Consolidated Financial Statements

As of March 31, 2021, our estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) was ₹587.87 million.

The following table sets forth a summary of the maturity profile of our contractual obligations with definitive payment terms as of March 31, 2021:

		Payment due by period			
	Total	**Within 1 year**	**1 to 2 years**	**2 to 5 years**	**More than 5 years**
			(₹ in millions)		
Trade payables	**9,721.94**	9,721.94	–	–	–
Short-term borrowings	**12,526.74**	12,526.74	–	–	–
Long-term borrowings	**10,574.85**	3,535.15	2,478.68	4,112.20	448.82
Consideration (including contingent consideration) payable towards acquisition of subsidiary	**2,750.78**	2,750.78	–	–	–
Trade deposit	**122.97**	–	–	122.97	–
Lease liabilities	**2,011.62**	422.26	374.68	673.98	540.50
Other financial liabilities	**2,681.52**	2,091.39	5.29	584.84	–
Total	**40,390.42**	**31,048.46**	**2,858.65**	**5,493.99**	**989.32**

Contingent Liabilities Based on Our Restated Consolidated Financial Statements

For details on our contingent liabilities as of March 31, 2021, see "*Risk Factors – Internal Risk Factors – Risks Related to our Business – We have contingent liabilities and capital commitments our financial condition could be adversely affected if any of these contingent liabilities or capital commitments materialize*" on page 68, as well as Notes 43 and 44 to our Restated Consolidated Financial Statements.

Off-Balance Sheet Commitments and Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Quantitative and Qualitative Analysis of Market Risks

We are exposed to various types of market risks during the normal course of business. The market risks we are exposed to include credit risk, liquidity risk, foreign exchange risk, interest rate risk and commodity risk.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities, primarily from trade receivables and other financial assets, such as cash equivalents and deposits. We manage our credit risk through credit approval processes, establishing credit limits and continuously monitoring the creditworthiness of customers. We establish an allowance for doubtful debts and impairment that represents our estimate of expected losses in respect of trade and other receivables. We also seek to limit our exposure to credit risk from receivables by establishing a maximum payment period for customers, and we typically have credit terms of 7 to 45 days and 30 to 180 days with our domestic and export customers, respectively. For the Financial Years 2021, 2020 and 2019, our restated trade receivables were ₹14,753.62 million, ₹11,452.14 million and ₹9,720.35 million, respectively, and our proforma trade receivables were ₹11,356.34 million, ₹8,946.69 million and ₹6,747.23 million, respectively. See also "*Risk Factors – Internal Risk Factors – Risks Related to Our Business – We are exposed to counterparty credit risk and any delay in receiving payments or non-receipt of payments may adversely impact our business and results of operations.*" on page 61.

Liquidity Risk

We manage our liquidity needs by carefully monitoring scheduled debt payments and cash requirements for day-to-day business, as well as on the basis of a rolling 30-day cash flow projection. Long-term liquidity needs from a period of 180 to 360 days are identified and reviewed at regular intervals. Our liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet future requirements, monitoring balance sheet liquidity ratios against debt covenants, maintaining debt financing plans and ensuring compliance with regulatory requirements. We seek to maintain funding flexibility through an adequate amount of committed credit lines which be drawn upon as and when required. See also "*Risk Factors – Internal Risk Factors – Risks Related to Our Business – We have significant working capital requirements. If we experience insufficient cash flows to fund our working capital requirements or if we are not able to provide collateral to obtain letters of credit and bank guarantees in sufficient quantities, there may be an adverse effect on our business, cash flows and results of operations.*" on page 56.

Foreign Exchange Risk

We operate in international markets and a major portion of our business is transacted in different currencies and, consequently, we are exposed to foreign exchange risk arising from transactions relating to purchases, revenues and expenses to be settled in other currencies. Our exports and imports are mainly in U.S. Dollars, Euros and British Pounds. We mitigate the risk arising from foreign exchange fluctuations by closely monitoring our cash inflows based on review of expected future movements. Although our exposure to exchange rate fluctuations is partly hedged through the exports of products and the import of the necessary raw materials and production equipment, and we may from time to time enter into foreign exchange hedging arrangements, we are still affected by fluctuations in exchange rates for certain currencies, particularly the U.S. Dollar and the Euro. See also "*Risk Factors – Internal Risk Factors – Risks Related to Our Business – We are subject to risks arising from exchange rate fluctuations.*" on page 57.

Interest Rate Risk

We are exposed to market risk with respect to changes in interest rates related to our borrowings. Interest rate risk exists with respect to our indebtedness that bears interest at floating rates tied to certain benchmark rates as well as borrowings where the interest rate is reset based on changes in interest rates set by RBI. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, domestic and international economic and political conditions, inflation and other factors. Upward fluctuations in interest rates increase the cost of servicing existing and new debts, which adversely affects our results of operations and cash flows. As a part of our interest rate risk management policy, our treasury department closely tracks the interest rate movements on regular basis and assesses the need to enter into interest rate swaps and hedging contracts. See also "*Risk Factors – Internal Risk Factors – Risks Related to Our Business – Fluctuations in interest rates could adversely affect our results of operations.*" on page 71.

Commodity Risk

We are exposed to the price risk associated with purchasing our raw materials, which form the highest component of our expenses. We typically do not enter into formal arrangements with our vendors. Therefore, fluctuations in the price and availability of raw materials may affect our business, cash flows and results of operations. We do not currently engage in any hedging activities against commodity price risk. See also "*Risk Factors – Internal Risk Factors – Risks Related to Our Business – Any delay, interruption or reduction in the supply or transportation of our raw materials or finished products, or an increase in the costs of such raw materials and finished products, may adversely impact the pricing and supply of our products and have an adverse effect on our business.*" on page 46.

Unusual or Infrequent Events or Transactions

Except as disclosed in this Draft Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

Known Trends or Uncertainties

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "*—Significant Factors Affecting Our Results of Operations*" and the uncertainties described in "*Risk Factors*", beginning on pages 351 and 43, respectively. Except as disclosed in this Draft Red Herring Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

Future Relationship between Cost and Revenue

Other than as described in "*Risk Factors*", "*Our Business*" and above in "*– Significant Factors Affecting our Results of Operations*" beginning on pages 43, 177 and 351, respectively, to our knowledge, there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

New Products or Business Segments

Except as disclosed in this Draft Red Herring Prospectus, there are no new products or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

Supplier or Customer Concentration

We do not have any material dependence on a single or few suppliers. We have a wide customer base and do not have any material dependence on any particular customer.

Competitive Conditions

We expect competition in our industry from existing and potential competitors to intensify. For details, please refer to the discussions of our competition in the sections "*Risk Factors*" and "*Our Business*" beginning on pages 43 and 177, respectively, of this Draft Red Herring Prospectus.

Seasonality

Our business is not seasonal in nature.

Significant Developments Occurring after March 31, 2021

Except as disclosed below and in this Draft Red Herring Prospectus, there are no circumstances that have arisen since March 31, 2021, the date of the last financial statements included in this Draft Red Herring, which materially and adversely affect or is likely to affect our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months.

The NCLT by its order dated June 4, 2021 has sanctioned the scheme of De-merger in relation to our divestment of our U.S. operations, which is effective from April 1, 2021. For further details, see "*History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/undertakings, mergers*

or amalgamation, and any revaluation of assets in the last 10 years" and "Risk Factors – Internal Risk Factors – Risks Related to our Business – We have de-merged our U.S. operations and have an indemnity from the resulting entity in relation to investigations by U.S. regulatory authorities and various ongoing civil and regulatory proceedings in the United States. However, we may incur additional expenses and losses in connection with such matters." on pages 213 and 53, respectively.

Recent Accounting Pronouncements

As of the date of this Draft Red Herring Prospectus, there are no recent accounting pronouncements, which would have a material effect on our financial condition or results of operations.

CAPITALISATION STATEMENT

The following table sets forth our capitalisation derived from our Restated Consolidated Financial Statements for the financial year ended and as at March 31, 2021, and as adjusted for the Offer. This table should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Financial Statements*" and "*Risk Factors*" on pages 349, 250, and 43, respectively.

Particulars	Pre-Offer as at March 31, 2021 (in ₹million)	As adjusted for the Offer*
Total borrowings:		
Non-current borrowings (including current maturities and excluding transaction cost) (A)	10,786.64	[●]
Current borrowings excluding transaction cost (B)	12,542.05	[●]
Total borrowings (C)	23,328.69	[●]
Total equity:		
Equity share capital	1,808.52	[●]
Other equity	20,921.70	[●]
Total equity (D)	22,730.22	[●]
Total non – current borrowings (including current maturities and excluding transaction cost) / total equity (A/D)	0.47	[●]
Total borrowings / total equity (C/D)	1.03	**[●]**

**Post-Offer capitalisation will be determined after finalisation of Offer Price.*

FINANCIAL INDEBTEDNESS

Our Company and Subsidiaries have availed credit facilities in their ordinary course of business for purposes such as, amongst other things, meeting their working capital requirements and capital expenditure, including procurement of raw materials, refinancing of outstanding loan and general corporate purposes, *etc*.

For details of the borrowing powers of our Board, see "*Our Management – Borrowing Powers of our Board*" on page 235.

As on June 30, 2021, the aggregated outstanding borrowings of our Company and Subsidiaries amounted to ₹ 19,056.57 million on a consolidated basis, and a brief summary of such borrowings is set forth below:

Category of borrowing	**Sanctioned amount as on June 30, 2021 (₹ million)**	**Outstanding amount as on June 30, 2021 (₹ million) – as per books**
Secured		
Working capital facilities		
Fund based	10,846.73	8,531.57
Total Working Capital	**10,846.73**	**8,531.57**
Term loans		
Term loans	17,326.86	10,261.96
Vehicle loans	144.59	64.62
Term loans	**17,471.45**	**10,326.58**
Total (A)	**28,318.18**	**18,858.15**
Unsecured		
Purchase credit card	100.00	95.52
Loan from DBT	180.00	102.90
Total (B)	**280.00**	**198.42**
Total Indebtedness	**28,598.18**	**19,056.57**
Non fund based Working Capital	1,310.00	605.68
Corporate Guarantee (to Bank of Baroda for Working Capital Limits sanctioned to Heritage Pharma Holdings Inc.)	5,574.38	5,574.38
Total Guarantees & Letter of Credits	**6,884.38**	**6,180.06**

^As certified by the Independent Chartered Accountant, pursuant to their certificate dated August 17, 2021

Principal terms of the borrowings availed by us:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by our Company and Subsidiaries.

1. ***Interest/ Commission:*** In terms of the facilities availed by our Company, the interest rate is typically the base rate of a specified lender and spread per annum, subject to a minimum interest rate. The spread varies between different facilities. The interest rate for the facilities availed by our Company and Subsidiary typically ranges from 1.00% to 11.00% *per annum.*

2. ***Security:***

   A. In terms of our Company's borrowings where security needs to be created, our Company is typically required to:

   (a) create charge by way of hypothecation on current assets of our Company, both present and future;
   (b) create charge by way of hypothecation over moveable fixed assets of our Company, both present and future; and

(c) create charge by way of mortgage on the immoveable properties of our Company; and

B. In terms of the Subsidiaries' borrowings where security needs to be created, the Subsidiaries are typically required to:

(a) create charge by way of hypothecation on stock and receivables and other current assets of the relevant Subsidiary;
(b) create charge by way of hypothecation of goods purchased under letter of credit facility;
(c) create debt service reserve account and in the form of cash deposit of amount equivalent to one quarter interest on term loan with the lender;
(d) provide corporate guarantee from our Company; and
(e) create exclusive charge over debt service reserve accounts and escrow accounts.

Further, our Company has extended guarantees in relation to certain borrowings of our Subsidiaries.

Please note that the above mentioned lists are indicative and there may be additional requirements for creation of security under the various borrowing arrangements entered into by our Company.

3. ***Penal Interest:*** The terms of certain facilities availed by our Company prescribe penalties for non-payment of interest or repayment instalments, failure to create security within agreed timelines or any other breach of terms and conditions, which are as laid down in such facility documents or as may be stipulated by the concerned lender, as the case may be. The default interest payable on such facilities availed typically ranges from one percent to two percent *per annum* on the outstanding loan.

4. ***Prepayment:*** The terms of certain facilities availed by our Company typically have prepayment provisions which allow for pre-payment of the outstanding loan amount, subject to such prepayment penalties and such other conditions as laid down in the facility agreements, on giving notice and/or obtaining prior approval from the concerned lender, as the case may be. Further, the prepayment of the term loan facility availed by the Subsidiary requires prior notice to the lender(s). The prepayment premium for the facilities availed, where specified, typically ranges from 0.5 percent to two percent of the amount prepaid or will be at the discretion of such lender. In case of certain facilities, if the prepayment is made out of the proceeds of the public issue, there would be zero prepayment premium.

5. ***Repayment****:* Working capital facilities of our Company are either repayable on demand or on their respective due dates within the maximum tenor. While the term loan is typically repayable in structured instalments, other financing arrangements are repayable depending on the tenor stipulated in their respective facility agreements. The working capital facilities are revolving in nature and are available for utilization until the availability period mentioned in the sanction letters/ facility agreements. The term loan facilities availed by our Company are typically repayable in 5 to 6 years.

6. ***Restrictive covenants*****:** Several of financing arrangements entail various restrictive covenants and conditions restricting certain corporate actions, and we are required to take the lender's prior written consent and/or intimate the respective lender before carrying out such actions, including for:

(a) enter into any merger/amalgamation or consolidation or any scheme of arrangement or compromise for the benefit of creditorsor reduction, return, purchase, repay, cancellation or redemption or buy back any of our Company's share capital or issuance of any shares, securities, share equivalents, debentures or convertible instruments;
(b) amending our Company's Memorandum of Association or Articles of Association, or alter capital structure or shareholding pattern;
(c) transferring or abandoning or agreeing to transfer or abandon any of the business of our Company;
(d) entering into any borrowing arrangement (secured or unsecured basis) with any other bank/ financial institution;
(e) withdrawing profits or declaring dividend for any year, if any payment default has occurred;
(f) create, incur or assume any further indebtedness of any nature whether for borrowed money or otherwise, except any indebtedness for its working capital requirement in the ordinary course of business;
(g) undertaking any guarantee obligation on behalf of any other company (including group companies);
(h) selling, assigning, mortgaging or otherwise disposing off any fixed assets;

(i) permitting any transfer of the controlling interest or making any drastic change in the management set up; and
(j) investing by way of share capital or lending or advancing funds to or placing deposits with any other concerns (including group companies).

Please note that the abovementioned list is indicative and there may be additional restrictive covenants and conditions where we may be required to take prior written consent or intimate the respective lender under the various borrowing arrangements entered into by our Company.

7. ***Events of default:*** In terms of borrowing arrangements for the facilities availed by our Company, the occurrence of any of the following, among others, constitute an event of default:
(a) changing the line of business or suspension or ceasing to carry on business which results into material adverse effect on the lenders;
(b) change in the control or constitution of the borrower;
(c) demand to furnish additional cash collateral in respect of all non-fund based facilities that have not devolved;
(d) failure to pay/repay any monies in respect of the facilities on the due dates;
(e) failure to create and/or perfect security within such period as contemplated under the respective facility agreements;
(f) misleading information or representations;
(g) security or any part thereof being jeopardised or becoming unenforceable;
(h) disclose or publish the name of our Company and its directors as defaulters in such manner and through such medium as the lenders in their absolute discretion may think fit;
(i) bankruptcy, insolvency, liquidation, reorganization or winding up of our Company;
(j) failure to comply with financial covenants;
(k) inadequate security or insurance or non-creation of any security or failure of our Company to comply with any security stipulation;
(l) breach of any statement, representation, warranty, covenant or confirmation which cannot be cured within the stipulated time; and
(m) any other event or material change which may have a material adverse effect on the lenders.

Please note that the abovementioned list is indicative and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by our Company.

8. ***Consequences of occurrence of events of default:*** In terms of borrowing arrangement for the facilities availed by our Company, upon the occurrence of events of default, the lenders may:

(a) declare the facilities, together with accrued interest and other monies, to be immediately due and payable and upon such declaration, the same shall become immediately payable;
(b) exercise any or all rights and recourses available to the lender including enforcement of security under the respective facility agreement;
(c) disclose or publish the name of our Company and Directors as defaulters in such manner and through such medium as the lenders in their absolute discretion may think fit;
(d) demand cure of any material default under any of the finance documents; and
(e) exercise all other remedies as available under applicable law.

Please note that the abovementioned list is indicative and there may be additional consequences on the occurrence of an event of default under the various borrowing arrangements entered into by our Company. For further details of financial and other covenants required to be complied with in relation to our borrowings, see "*Risk Factors* – "*Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, financial condition, results of operations and cash flows*" on page 67.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section and in accordance with the materiality policy set out hereunder, as on the date of this Draft Red Herring Prospectus, there are no outstanding (i) criminal proceedings (ii) actions taken by regulatory or statutory authorities; (iii) claims related to any direct or indirect taxes in a consolidated manner; (iv) other pending litigation as determined to be material by our Board as per the Materiality Policy, in each case involving our Company, our Subsidiaries, our Promoters or our Directors ("**Relevant Parties**"); or (v) litigation involving our Group Companies which has a material impact on our Company. Further, except as stated in this section, there are no disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoter in the last five Fiscals immediately preceding the date of this Draft Red Herring Prospectus including any outstanding action.*

For the purposes of (iv) above, in terms of the Materiality Policy adopted by resolution of our board of directors dated August 12, 2021:

A. *Any pending litigation / arbitration proceedings (other than litigations mentioned in point (i) to (iii) above) involving our Company and our Subsidiaries shall be considered "material" for the purposes of disclosure in this Draft Red Herring Prospectus, if:*

a.) The aggregate monetary claim made by or against our Company and the Subsidiaries (individually or in aggregate), in any such pending litigation / arbitration proceeding exceeds an amount which is lesser of (i) 1.0% of the consolidated revenue of our Company or (ii) 5.0% of the consolidated profit after tax of our Company, as per the latest Fiscal in the Restated Consolidated Financial Statements; or

b.) any such litigation wherein a monetary liability is not determinable or quantifiable, or which does not fulfil the threshold as specified in A(a) above, but the outcome of which could, nonetheless, have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of our Company.

B. *Any pending litigation / arbitration proceedings (other than litigations mentioned in points (i) to (iii) above) involving the Promoter shall be considered "material" for the purposes of disclosure in this Draft Red Herring Prospectus, if the outcome of such litigation could have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of our Company.*

C. *Any pending litigation / arbitration proceedings (other than litigations mentioned in point (i) to (iii) above) involving the Directors shall be considered "material" for the purposes of disclosure in this Draft Red Herring Prospectus, if, the outcome of such litigation could have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of our Company.*

D. *any pending litigation involving the group companies which has a material impact on the Company.*

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, Subsidiaries, Promoter, Directors or Group Companies from third parties (other than show cause notices issued by statutory/regulatory/ tax authorities or notices threatening criminal action) have not and shall not, unless otherwise decided by our Board, be considered as material litigation until such time that our Company, Subsidiaries, Promoter, Directors or Group Companies, as the case may be, are impleaded as a defendant/s in proceedings before any judicial / arbitral forum.

Further in terms of the Materiality Policy, creditors of our Company to whom amount due by our Company is equal to or in excess of 5 % of the consolidated trade payables of our Company as at the end of the latest fiscal year included in the Restated Consolidated Financial Statements, would be considered as material creditors.

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus. All terms defined herein in a particular litigation disclosure pertain to that litigation only.

A. Litigation involving our Company

Outstanding criminal litigation against our Company

1. The Drug Inspector, Intelligence, Deputy Drugs Controller's Regional Office, Bengaluru filed a criminal complaint dated January 2, 2018, against our Company and our Promoter and Director Satish Mehta, before the Special Court for Economic Offences, Bengaluru ("**SCEO, Bengaluru**") alleging that the drug FERIUM-XT Suspension, B.no – 16A11005 M/D: Jul.2011, D/E: Jun.2013 manufactured and sold by our Company was "not of standard quality" with respect to "Assay for Folic Acid" and thereby in contravention of Section 18A of the Drugs and Cosmetics Act, 1940, as amended ("**Drugs Act**"), pursuant to which a case was registered through order dated March 21, 2018, in the SCEO, Bengaluru. Further, the Drugs Inspector - 1, Bangalore Circle -3 has also filed an application for condonation of delay of 4 years and 10 months under Section 473 of the Criminal Procedure Code, 1973 read with Section 5 of the Limitation Act, 1963 filing the complaint. Through an order dated March 20, 2018 SCEO, Bengaluru condoned the delay in filing the complaint (**SCEO Order**"). Our Company has filed revision petition before the Principle District and Sessions Court, City Civil Court Complex at Bengaluru for quashing the orders dated March 20, 2018 and March 21, 2018, and the matter in respect of SCEO Order is currently stayed. The matter is currently pending. ("**Bengaluru Matter**")

2. Uttar Pradesh and Uttarakhand Medical and Sales Representative (UPMSRA) ("**Complainant**") has filed a complaint against our Company before the City Court Magistrate, Kanpur City ("**Magistrate**"), alleging unfair treatment of Satnam Singh, one of our Company's medical representatives. Amongst other things, it is alleged that the Company (i) took out Satnam Singh's salary amount of ₹ 25,282 from his bank account without his consent; and (ii) has not been paying Satnam Singh's salary for his services. Through order of the Magistrate dated April 21, 2017, our Company, our Promoter and Director Satish Mehta had been summoned under Section 29, 33 and 32, of the Industrial Disputes Act, 1947. Further, pursuant to an application made by our Company before the High Court of Allahabad, *vide* order dated October 3, 2018, stayed the order of the Magistrate dated April 21, 2017 and revisional order dated August 10, 2018. The matter is currently pending. ("**Satnam Matter**")

3. Our Company received a memo dated January 13, 2004 (the "**Memo**") from the Inspector of Drugs, Saharsa whereby information was required to be furnished by our Company with respect to certain drugs manufactured by us which were alleged to be in contravention of certain provisions of the Drugs and Cosmetics Act, 1940 (the "**Act**"). Thereafter, our Company received another letter dated May 11, 2004 ("**Letter I**") from the Inspector of Drugs, Saharsa, alleging that our Company has sold misbranded drugs, which is prohibited under Section 18(a)(i) of the Act and was again requested to furnish the information required under the Memo. Another letter dated October 29, 2004 ("**Letter II**") was received by our Company from the Inspector of Drugs, requesting our Company to furnish the required information as under the Memo and the Letter I as the same had not been furnished by our Company. Thereafter, a complaint dated July 12, 2004 was filed against our Company, its then Chairman, the Managing Director and certain other employees, by the Inspector of Drugs, Saharsa before the Chief Judicial Magistrate, Saharsa alleging that the Company, along with others accused, have manufactured, distributed and sold misbranded drugs and violated provisions of Rule 75A, Rule 96 & 97 of Drugs and Cosmetics Rules, 1945. Pursuant to the Complaint, the Chief Judicial Magistrate, Saharsa through its order dated July 12, 2004 issued summons to our Company, along with other accused, to appear before the Chief Judicial Magistrate. The matter is currently pending. ("**Saharsa Matter**")

Outstanding criminal litigation by our Company

1. There are 31 cases filed by our Company pending before various fora for alleged violation of section 138 of Negotiable Instruments Act, 1881, for recovery of amounts due to our Company for which cheques issued in favour of our Company by our clients/debtors have been dishonoured. The total pecuniary value involved in all these matters is ₹ 36.24 million. The matters are currently pending.

Actions by statutory or regulatory authorities against our Company

Show Cause Notices

1. Our Company received an inspection notice dated August 26, 2016 ("**Inspection Notice**") under Section 206(5) and Section 207 of the Companies Act, 2013 from the Office of Regional Director, Western Region, Ministry of Corporate Affairs ("**Regional Director**"), intimating the forthcoming inspection of the books of accounts and other books and papers of our Company. The Inspection Notice directed our Company to furnish certain documents, which were submitted *via* letter dated September 7, 2016. Subsequently, our Company received a letter dated August 10, 2017 from the Regional

Director intimating certain non-compliances of the provisions of the Companies Act, 2013 to which the Company submitted its reply ***via*** letter dated September 1, 2017. Additional clarifications sought by the Regional Director *via* letter dated February 5, 2019 which were responded to by our Company *vide* its letter dated February 21, 2019. Thereafter, our Company, our Directors (including Mukund Gurjar, Sunil Mehta, Satish Mehta and Namita Thapar) and certain directors previously on board of our Company and the then company secretaries (the " **Noticees**") were in receipt of four show cause notices dated March 12, 2019 alleging violations under: (i) Section 134 - wherein it was alleged that a few annexures to the directors reports for the years 2014-2015 and 2015-2016 did not carry the signature of the chairman of the board who had signed the main directors report, (ii) Section 134(3)(a) - wherein it was alleged that the directors' report for the year 2015-2016, did not disclose (a) the USFDA warning letter to our Company arising out of their inspection performed during the period January 27, 2016 to February 2, 2016 at its main manufacturing plant at Hinjewadi, Pune and se; and (b) rejection of medicines manufactured by our Company by certain buyers; (iii) Section 188 - wherein it was alleged that our Company did not obtain approval for the related party transactions carried out from April 1, 2014 to March 31, 2016; and (iv) Section 152 - wherein it was alleged that two directors did not retire by rotation in the annual general meeting(s) held on July 27, 2015 and August 3, 2016.

The Noticees responded to these show cause notices through letters dated April 27, 2019 and April 28, 2019. Subsequently, our Company and on behalf of the Noticees had filed compounding application on April 22, 2019 with the Registrar of Companies, Maharashtra at Pune ("**ROC**"). Further, the Noticees requested the ROC *vide* its letters dated January 7, 2020 and January 15, 2020 to drop and annul the action under the respective show cause notices and allowing our Company to withdraw the compounding applications made in this regard. The Regional Director vide its order dated February 11, 2020 has noted that the Noticees have withdrawn the compounding application, and directed the ROC to take necessary action in this regard. The said matter is still pending (the matter referred to as "**RD Matter**").

Other pending actions by regulatory and statutory authorities against our Company

1. The National Pharmaceutical Pricing Authority ("**NPPA**") filed a complaint dated March 22, 2017, against our Company and five other pharmaceutical companies (collectively referred to as the "**Defendants**"), before the Competition Commission of India (the "**CCI**") alleging that the Defendants were involved in a cartel, wherein they had entered into an anti-competitive agreement to control the prices of an oral diabetes drug for the treatment of Type-II diabetes (a non-scheduled formulation). Similar to this complaint, the CCI had previously received another complaint dated September 22, 2016, alleging that the Defendants had entered into an anti-competitive co-marketing agreement, along with a copy of an email by one of the employees of the Defendants, confirming such allegations. Through an order dated July 5, 2017 (the "CCI Order"), the CCI formed a *prima facie* opinion that there is price coordination amongst the Defendants in selling their oral diabetes drugs and directed the Director General to further investigate into the matter. Pursuant to the CCI Order, a notice dated August 31, 2017 ("**Notice**"), was issued under Section 41(2), read with Section 36(2) of the Competition Act, 2002 (the "**Act**"), directing our Company to furnish certain details, including, details of the arrangement / agreement entered into by our Company and the volume of sales as an outcome of the alleged arrangement. Our Company filed its response dated September 26, 2017, with the CCI, providing the necessary information as required under the Notice. Our Company also filed an application on February 27, 2018, for review / recall of the CCI Order ("**Application**"), however, it was disposed of by the CCI pursuant to an order dated May 16, 2018 ("**CCI Order II**"). Thereafter, our Company filed a writ petition before the Delhi High Court challenging the CCI Order II. The Delhi High Court directed the CCI to pass a fresh order on the Application after providing our Company an opportunity of being heard. The CCI, pursuant to a hearing with our Company on July 27, 2018, rejected the Application. Further, through Order dated January 11, 2019 the Supreme Court ordered that a 'status quo' should be maintained by the parties in relation to the subject matter until further orders. Thereafter, the Director General sought extension of time by one hundred and fifty days from the date of vacation of stay by the Supreme Court, and the same was granted bythe CCI vide its order dated April 22, 2020. The matter is currently pending.

Other pending material litigation involving our Company

Civil proceedings against our Company

1. Following U.S. congressional inquiries into the prices of generic pharmaceutical products beginning in October 2014, various governmental authorities, including the Antitrust Division of

the U.S. Department of Justice (the "**DOJ**"), commenced investigations concerning possible collusion and anticompetitive conduct in the generic pharmaceutical industry, including Heritage Pharmaceuticals Inc doing business as Avet Pharmaceuticals Inc ("**Heritage**"). On May 7, 2018, Heritage received a civil investigative demand from the DOJ's Civil Division seeking documents and information in connection with a U.S. False Claims Act investigation. The DOJ investigated Heritage's conduct in connection with its communications and, in some cases, agreements with various competitors regarding the pricing and sales of approximately 20 different drugs sold by Heritage, with a focus on the time period ranging from at least June 2012 through December 2015. The DOJ also investigated Our Company's role in such conduct. Following the investigations, in May 2019:

- Heritage conditionally resolved its criminal exposure by entering into a Deferred Prosecution Agreement (the "**DPA**") with the DOJ relating to Heritage's alleged involvement in a criminal antitrust conspiracy to fix prices and allocate the market for glyburide, a drug that treats diabetes. Pursuant to the DPA, Heritage paid a US$225,000 fine and agreed to cooperate fully in the ongoing investigation. In exchange, the DOJ has agreed to defer prosecuting Heritage for a period of three years (or until May 27, 2022) to allow Heritage to comply with the terms of the DPA. Upon Heritage's full and satisfactory completion of its obligations under the DPA, the DOJ agreed that it will not bring criminal charges against Heritage, or any individual covered under the DPA, for any act or offense committed before the date of the DPA in furtherance of an antitrust conspiracy involving the production or sale of glyburide in the United States, or related to antitrust conspiracies involving the production or sale in the US of certain other generic pharmaceutical products (as enumerated in the DPA);

- Heritage and our Company entered into a separate agreement with the DOJ under which Heritage and our Company received conditional leniency in connection with price fixing, bid rigging, market allocation or other conduct constituting a criminal violation of the Sherman Antitrust Act of 1890, in the U.S. generic pharmaceuticals industry for conspiracies involving the following drugs during the following time periods: acetazolamide ER, fosinopril HCTZ, glipizide-metformin, glyburide-metformin, hydralazine HCl, leflunomide, methimazole, metronidazole, nystatin, paromomycin, theophylline ER, and verapamil HCl (all April 1, 2014 through December 2, 2015); nimodipine (June 1, 2012 through December 2, 2015); and meprobamate (March 1, 2013 through December 2, 2015).

- Heritage entered into a settlement with the DOJ's Civil Division to resolve various claims under the False Claims Act. Pursuant to the terms of the agreement, Heritage paid US$7.1 million to the DOJ's Civil Division for conduct related to 17 pharmaceutical products; and

- our Company entered into a Non-Prosecution Agreement ("**NPA**") with the DOJ, under which our Company agreed to cooperate fully in the DOJ's ongoing criminal investigation. In exchange, the DOJ agreed under the terms of the NPA not to criminally prosecute our Company, or any of our Company's then-current officers, directors, and employees, in connection with the DOJ's criminal investigation for conspiracies involving the following drugs: glyburide, doxycycline hyclate DR, and doxycycline monohydrate. ("**DOJ Matter**")

2. Heritage, along with several other generic pharmaceutical drug manufacturers, has also been named in complaints filed by the attorneys-general of 47 U.S. states, the District of Columbia and the Commonwealth of Puerto Rico. The complaints have been consolidated into the State Attorneys General's Consolidated Amended Complaint (the "State AG Complaint"), which alleges that Heritage entered into various agreements to restrain trade in violation of federal and state antitrust laws, other state laws, and also includes unjust enrichment and other claims. The states seek damages under federal and state antitrust law, and some states also seek penalties under various other state statutes.

   The State AG Complaint alleges such violations against Heritage arising out of its alleged conduct relating to the drugs that were the subject of its agreements with the DOJ, as well as other drugs sold by Heritage during the relevant time period. In addition, the State AG Complaint alleges that all defendants, including Heritage, entered into one or more "overarching conspirac(ies)" under which they allegedly agreed upon a framework from which many product specific

allegedly conspiracies sprang, the vast majority of which were never sold by Heritage. A limited number of complaints under the consolidated State AG Complaint have also named our Company and Managing Director and Chief Executive Officer, Satish Mehta, as defendants. In these complaints, the product-specific claim against our Company and Satish Mehta relates only to doxycycline hyclate DR. These complaints allege that our Company, through its senior most executives and Board members, took active steps to initiate communications and facilitate a conspiracy between Heritage and Mylan, another pharmaceuticals company, to allocate and divide the market for doxycycline hyclate DR.
The State AG Complaint is currently in fact discovery and, given the stage of the proceedings, it is difficult to estimate the likelihood or extent of Heritage's, our Company's or Satish Mehta's potential liability, if any. ("**State AG Matter**")

3. Heritage is currently defending against various class-action and non-class action complaints that have been consolidated and transferred for pretrial purposes by the Judicial Panel on Multidistrict Litigation to the District Court for the Eastern District of Pennsylvania, and styled as In re Generic Pharmaceuticals Antitrust Litig., MDL Case No. 2724 (the "Civil Cases"), and in related civil cases that have, to date, not been so consolidated. Heritage first became a defendant in those cases on January 27, 2017, when the direct and indirect purchaser plaintiffsfiled amended complaints and named Heritage as a defendant. The cases were filed as putative class actions and allege that Heritage and other defendants conspired to fix the prices of and allocate market share for generic digoxin and doxycycline. Heritage's alleged involvement in these actions only concerned one product, doxycycline. Since then, Heritage has been named in multiple other class action and non-class complaints involving other products that have been filed, in or transferred to, and consolidated with, the other pending complaints. The complaints allege similar conduct that is the subject of the aforementioned DOJ investigations and Stage AG Complaint. The other pharmaceutical manufacturers named as defendants are former, current, or potential competitors of Heritage and/or the Company in the U.S. generic market pharmaceutical market.

   The Civil Cases have been filed by a putative class of direct purchasers, two putative classes of indirect purchasers, and by individual plaintiff purchasers which include grocery chains, insurance companies and pharmacies. All of the plaintiffs claim they were harmed by payment of artificially inflated prices of generic pharmaceuticals sold by Heritage and/or our Company (and the other defendants), with such harm allegedly arising from plaintiffs' direct and indirect purchases of products sold by Heritage and/or our Company, and/or by providing reimbursement for the purchase of Heritage's and our Company's products. The Civil Cases are currently in fact discovery and, given the stage of the proceedings, it is difficult to estimate the likelihood or extent of Heritage's or our Company's potential liability, if any. The defendants have filed motions to dismiss each of the various complaints filed to date, or are waiting for the opportunity to do so under the court's schedule and pending motions. To date, the court has granted motions to dismiss some of the claims, and no complaint has been dismissed in its entirety. The matter is currently pending. ("**Private Complaints Matter**")

Civil proceedings by our Company

Nil

B. Litigation involving our Subsidiaries

Outstanding criminal litigation involving our Subsidiaries

1. The Drug Inspector, Nizamabad (Urban), filed a criminal complaint dated April 4, 2016 against Zuventus Healthcare Limited and its director Sanjay Mehta, before the Judicial First Class Magistrate Judge, Nizamabad ("Criminal Compliant") alleging that 'Myotop P Tablets', a product manufactured by Zuventus Healthcare Limited, is not of standard quality, and that it was later sold to various dealers with through C&F agents of Zuventus Healthcare Limited located in different states of the country, and thereby contravened Section 18A(i) of the Drugs Act. Sanjay Mehta filed Memorandum of Quash Petition under Section 482 of CRPC ("Petition 1") before the High Court for the State of Telangana at Hyderabad ("High Court") to (i) call for records of the Criminal Compliant and quash the same, and (ii) grant stay of all further proceedings including the appearanace of Sanjay Mehta in respect of the Criminal Complaint. The High Court, in its order dated February 15, 2018 stated that it found no grounds to quash the proceedings and thereby dismissed Petition 1. Thereafter, Sanjay Mehta filed a petition for special leave to appeal before the Supreme Court of India ("Supreme Court"), which was dismissed by the Supreme Court citing that no ground for Supreme Court's intervention were made.Thereafter, Zuventus Healthcare Limited has filed

Memorandum of Quash Petition under Section 482 of CRPC ("Petition 2") before the High Court to call for the records of the Criminal Compliant and quash the same insofar as Zuventus Healthcare Limited is concerned. The matter is currently pending.

2. There are 20 cases filed by Zuventus Healthcare Limited ("Zuventus") pending before various fora for alleged violation of section 138 of Negotiable Instruments Act, 1881, for recovery of amounts due to Zuventus for which cheques issued in favour of Zuventus by its clients/debtors have been dishonoured. The total pecuniary value involved in all these matters is ₹ 14.71 million. The matters are currently pending.

3. Zuventus has filed a compliant against JMD Pharma for alleged violation of section 138 of Negotiable Instruments Act, 1881, whereby Bhavin Shah, Partner of JMD Pharma was convicted on May 16, 2018 and sentences to serve imprisonment of three months and pay compensation to the tune of ₹ 2.7 million("**Order**"). On account on non-receipt of the compensation amount within 30 days from the date of the Order, Zuventus filed Cri. M.A./34/2019 against JMD Pharma to obtain a non-bailable warrant in furtherance of the Order. JMFC Court, Khadki has passed an order dated November 14, 2019 directing the Police Inspector, Borivali Police Station to arrest Bhavin Shah. The matter is pending.

4. Zuventus had filed a complaint against Dipendra R Shah, Bhavin Shah and Jayna Shah, partners of JMD Pharma ("**Defendant**") before the Metropolitan Magistrate Court, Andheri alleging cheating by the Defendant**,** but due to absence of of Zuventus, the said matter was dismissed by order dated October 11, 2017 under Section 256 of the CrPC. Zuventus has moved application before the Bombay High Court to revive our earlier case of cheating against JMD Pharma. Matter is pending.

Actions by statutory or regulatory authorities against our Subsidiaries

Zuventus Healthcare Limited

1. Pursuant to an inspection on Zuventus Healthcare Limited ("**Zuventus**") by the Employees' Provident Fund Organisation ("**EPFO**") for the period from September, 2004 to March, 2008, EPFO through its order dated June 16, 2010 ("**EPFO Order**") provided that provident fund should be deducted on fitment allowance paid to the employees on monthly basis, and worked out total liability for recovery of provident fund on fitment allowance for both employee and employers contribution totalling to ₹ 3,97,92,890. The same was upheld and confirmed by order of the Employees' Provident Fund Appellate Tribunal, New Delhi dated August 24, 2011 ("**Tribunal Order"**). Zuventus challenged the same by filing writ petition before Bombay High Court in December 2011. The Bombay High Court, *vide* order dated December 8, 2011 ("**Order**"), stayed the execution operation and implementation of EPFO Order and the Tribunal Order on the precondition that Zuventus deposits ₹ 20 million with EPFO including the amount deposited by Zuventus in the lower Court and the amount recovered by PF office from the account of Zuventus. Subsequently, Zuventus received a summons to appear for hearing, dated March 12, 2014 ("**Summons**"), under section 14B of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 from EPFO alleging that from the scrutiny of the records maintained by EPFO for the remittances made by Zuventus during the period from April 1, 1996 to March 12, 2014 there appeared payments which were made after the respective due dates. The Summons also laid a penalty and interest of ₹ 13,820,000 for the alleged delay in payments. Our Company through letter dated April 1, 2014 and written submissions dated April 29, 2014 denied the allegation leveled through Summons and submitted that the matter was *sub judice*, pursuant to the Order. Thereafter, Arunkumar Khanna, Shreekant Bapat and Satish Mehta, in their capacity as directors of Zuventus received notices dated August 5, 2014 stating that amount of ₹ 19,792,890 and interest thereon was still to be recovered from Zuventus. Zuventus made appearance before the Regional Provident Fund Commissioner, Thane on August 14, 2014 where the authorities noted that the proceedings before the Bombay High Court are pending. The matter is currently pending. ("**PF Matter**")

Other pending material litigation involving our Subsidiaries

1. Canadian class plaintiffs have asserted claims against Marcan Pharmaceuticals Inc., along with many other drug manufacturers, based upon alleged violations of Sections 45 and 46 of part VI of the competition act, which is a federal Canadian law that governs most business conduct in Canada and seeks to prevent anti competitive practices in the Canadian marketplace. Like similar claims and allegations asserted against generic manufacturers in the U.S., the Canadian class plaintiffs have based their allegations on alleged conduct that they claim occurred on multiple dates and involving multiple parties and multiple drug products.

In January 2021, the Canadian class plaintiffs filed an amended statement of claim which named many other drug manufacturers and contained an expanded list of drug manufacturers and drug products that were allegedly subject of the conspiracy in Canada. Along with other manufacturers, Marcan Pharmaceuticals Inc. was named as a defendant in the amended statement of claim.

Marcan Pharmaceuticals Inc. has denied the allegations stating that it is unaware of any specific facts that could connect Marcan Pharmaceuticals Inc. or its employees to an alleged conspiracy to engage in any anti competitive practices in the Canadian marketplace. The matter is pending.

C. Litigation involving our Promoters

Outstanding criminal litigation involving our Promoters

Satish Mehta, our Promoter, Managing Director and Chief Executive Officer, is involved in Bengaluru Matter, Satnam Matter and Saharsa Matter. For further details, please see "*Litigation involving our Company - Outstanding criminal litigation against our Company".*

Actions by statutory or regulatory authorities against our Promoters

Satish Mehta

Satish Mehta, our Promoter, Managing Director and Chief Executive Officer, is involved in the RD Matter and the PF Matter. For further details, please see "*Actions by statutory or regulatory authorities against our Company – Show Cause Notice" and "Litigtion involving our Subsidiaries - Actions by statutory or regulatory authorities against our Subsidiaries - Zuventus".*

Sunil Mehta

Sunil Mehta, our Promoter and Whole-time Director, is involved in the RD Matter. For further details, please see "*Actions by statutory or regulatory authorities against our Company – Show Cause Notice".*

Other pending material litigation involving our Promoters

Satish Mehta, our Promoter, Managing Director and Chief Executive Officer, is involved in the State AG Matter. For further details, please see "*Other pending material litigation involving our Company – Civil proceedings against our Company"*

Disciplinary action taken against our Promoter in the five Fiscals preceding the date of this Draft Red Herring Prospectus by SEBI or any stock exchange

Nil

D. Litigation involving our Directors

Outstanding criminal litigation involving our Directors

Mukund Keshav Gurjar

A complaint was filed under Rule 3A-1, of the Maharashtra Factory Rules, 1963("**Complaint**") by Deputy Director- Industrial Safety and Health, Pune against Mukund Keshav Gurjar being the Occupier of the premises of our Company, before the Hon'ble Additional Chief Judicial Magistrate, Court, Shivajinagar bearing SCC No. 6456/2017. The Complaint was filed on February 23, 2017. Mukund Keshav Gurjar appeared in the matter on April 5, 2018 and bail was granted to Mukund Keshav Gurjar on May 10, 2018. The Complaint pertains to a fatal accident which took place at the Hinjawadi factory premises of our Company on November 25, 2016 leading to the death of Shri Gharate.

The Compliant also states that the certificate of stability in respect of the Hinjawadi factory was obtained on September 30, 2011 and that the certificate was valid for five years, unless any repair/extension or addition of any engineering construction is made as per rule 3A-1 of Maharashtra Factory Rule, 1963, and that the validity of the certificate was upto September 29, 2016. Presently the matter is pending before the said Court.

Satish Mehta

Satish Mehta, our Promoter, Managing Director and Chief Executive Officer, is involved in Bengaluru Matter, Satnam Matter and Saharsa Matter. For further details, please see "*Litigation involving our Company - Outstanding criminal litigation against our Company".*

Actions by statutory or regulatory authorities against our Directors

Satish Mehta

Satish Mehta, our Promoter, Managing Director and Chief Executive Officer, is involved in the RD Matter and the PF Matter. For further details, please see "*Actions by statutory or regulatory authorities against our Company – Show Cause Notice" and "Litigtion involving our Subsidiaries - Actions by statutory or regulatory authorities against our Subsidiaries - Zuventus".*

Sunil Mehta

Sunil Mehta, our Promoter and Whole-time Director, is involved in the RD Matter. For further details, please see "*Actions by statutory or regulatory authorities against our Company – Show Cause Notice".*

Shreekant Bapat

Shreekant Bapat, Independent Director, is involved in the PF Matter. For further details, please see *"Litigtion involving our Subsidiaries - Actions by statutory or regulatory authorities against our Subsidiaries - Zuventus"*

Mukund Gurjar

Mukund Gurjar, our Whole-time Director, is involved in the RD Matter. For further details, please see "*Actions by statutory or regulatory authorities against our Company – Show Cause Notice".*

Namita Thapar

Namita Thapar, our Whole-time Director, is involved in the RD Matter. For further details, please see "*Actions by statutory or regulatory authorities against our Company – Show Cause Notice".*

Other pending material litigation involving our Directors

Satish Mehta, our Promoter, Managing Director and Chief Executive Officer, is involved in the State AG Matter. For further details, please see "*Other pending material litigation involving our Company – Civil proceedings against our Company"*

E. Tax proceedings against our Company, Subsidiaries, Promoters and Directors

Set out herein below are details of claims relating to direct and indirect taxes involving our Company, Subsidiaries, Promoters and Directors.

Nature of case	**Number of cases**	**Demand amount involved* (in ₹ million)**
Our Company		
Direct tax	4[#]	46.99[#]
Indirect tax	18[##]	191.33[##]
Subsidiaries		
Direct tax	8	288.68
Indirect tax	10[**]	53.38[**]
Promoter		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
Directors		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil

**To the extent quantifiable*
***Out of ten, three cases having amount in disputes of ₹14.11 million was not disclosed in audit report on Restated Consolidated Financials as it doesn't come under purview of Companies (Auditor's Report) Order,2016 (CARO).*
#Out of four, 2 cases having amount in disputes of Rs. 29.34 million was not disclosed in audit report on Restated Consolidated Financials as it doesn't come under purview of Companies (Auditor's Report) Order,2016 (CARO).
##Out of 18, 8 cases having amount in disputes of Rs. 84.66 million was not disclosed in audit report on Restated Consolidated Financials as it doesn't come under purview of Companies (Auditor's Report) Order,2016 (CARO).

F. Outstanding dues to creditors

As per the Materiality Policy, a creditor of our Company, shall be considered to be material ("Material Creditors") for the purpose of disclosure in this Draft Red Herring Prospectus, if amounts due to such creditor by our Company is equal to, or in excess of, 5% of the consolidated trade payables of our Company as at the end of the latest fiscal year in the Restated Consolidated Financial Statements (*i.e.*, as at March 31, 2021). Accordingly, a creditor has been considered 'material' by our Company if the amount due to such creditor exceeds ₹9,721.94 million as on March 31, 2021. As of March 31, 2021, outstanding dues to Material Creditors, micro, small and medium enterprises and other creditors were as follows:

S. No.	Type of creditor	No. of cases	Amount outstanding (₹ in million)
1.	Dues to micro, small and medium enterprises	-	-
2.	Dues to Material Creditor	1	898.65
3.	Dues to other creditors	4,140	6,428.49
	Total*	4,141	7,327.14

** This does not include provision for expenses amounting to ₹2,394.80 million. Out of this provisioned amount, no single provision amount exceeds the threshold criteria as per the Materiality Policy of the Company.*

The details pertaining to outstanding dues to Material Creditors, along with the name and amount involved for each such Material Creditor, are available on the website of our Company at https://emcure.com/share-governance-and-investor-services/. It is clarified that such details available on our Company's website do not form a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any source of information including our Company's website, www.emcure.com would be doing so at their own risk.

G. Litigation involving the Group Companies

Heritage Pharmaceuticals Inc is involved in the DOJ Matter, Private Complaints Matter and the State AG Matter. For further details, please see "*Litigation involving our Company – Civil proceedings against our Company"*.

H. Material Developments

Except as disclosed in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 349, there have been no material developments, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, any circumstances, which materially and adversely affect, or are likely to affect our trading or profitability of our Company or the value of our assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

We have set out below an indicative list of approvals obtained by our Company and Material Subsidiaries which are considered material and necessary for the purpose of undertaking our business activities. In view of these key approvals, our Company can undertake this Offer, and can undertake its business activities. Other than as stated below, no further material approvals from any regulatory authority are required to undertake the Offer or continue such business activities. In addition, certain of our key approvals may have expired or may expire in the ordinary course of business, from time to time and our Company and Material Subsidiaries have either already made an application to the appropriate authorities for renewal of such key approvals or are in the process of making such renewal applications. In relation to the business activities and operations of our Company, we have disclosed below (i) approvals applied for but not received; (ii) approvals that have expired and renewal to be applied for; and (iii) approvals yet to be applied for. For details in connection with the applicable regulatory and legal framework, see "Key Regulations and Policies" on page 203.

(A) Our Company

I. Incorporation details of our Company

1. Certificate of incorporation dated April 16, 1981 issued by the Registrar of Companies, Maharashtra at Bombay to our Company under the name of Emcure Pharmaceuticals Private Limited.

2. Our Company became a deemed public company under section 43A(1A) of the Companies Act, 1956 with effect from July 1, 1993, the word 'Private' was removed from the name of our Company and the certificate of incorporation of our Company was endorsed by the Registrar of Companies, Maharashtra at Bombay to that effect.

3. Fresh certificate of incorporation dated September 18, 2001 issued by the Registrar of Companies, Maharashtra at Pune for change of our name to 'Emcure Pharmaceuticals Limited' pursuant to conversion of our Company from deemed public company into a public company.

II. Approvals in relation to the Offer

For details regarding the approvals and authorizations obtained by our Company in relation to the Offer, see "*Other Regulatory and Statutory Disclosures – Authority for the Issue*" on page 393.

III. Material approvals in relation to our business and operations

In order to operate our manufacturing facilities in India, our Company requires approvals and/or licenses under various state and central laws, rules, and regulations. These approvals and/or licenses, amongst other things, include licenses under the Factories Act, 1948, the Drugs and Cosmetics Act, 1940 and the Drugs and Cosmetics Rules, 1945, 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 and Transboundary Movement) Rules, 2016, Bio-Medical Waste (Management and Handling) Rules, 2016, recognition of our in-house Research and Development unit issued by the Department of Scientific and Industrial Research, Petroleum Act, 1934 and the rules thereunder, the Narcotic Drugs and Psychotropic Substances Act, 1985, Fire No Objection Certificates from regional authorities, certification for adhering to the World Health Organisation – Good Manufacturing Practices by the regional drug authorities.

IV. Material labour/employment related approvals

Our Company has obtained registrations under several employee and labour related laws including the Contract Labour (Regulation and Abolition) Act, 1970, Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Employees State Insurance Act, 1948 and the relevant shops and establishment legislations, as applicable state-wise.

V. Tax related and other approvals

Our Company has obtained registrations under central and state specific tax laws such as the Income Tax Act, 1961, goods and services tax acts, state specific profession tax acts. Our Company has also

obtained the Importer – Exporter Code from the Ministry of Comerce and Industry. Our Company has obtained all the necessary licenses and approvals from the appropriate regulatory and governing authorities in relation to such tax laws.

VI. Intellectual property rights

As on June 30, 2021, our Company and our Subsidiaries have (i) been granted 161 patents, (ii) 2,069 registered trademarks and (iii) 44 registered copyrights. Further, our Company and our Subsidiaries have filed applications for (i) 98 patents, (ii) 504 trademarks and (iii) two copyrights, which are pending as on June 30, 2021.

VII. Pending Approvals

a) Approvals applied for but not received

(a) Consent to operate accorded by Maharashtra Pollution Control Board for our manufacturing facility, Emcure Pharmaceuticals Limited, at Plot No. P-2, International Biotech Park, Phase-ll, MIDC Hinjewadi, Tal. Mulshi, Dist. Pune, has expired on April 30, 2021, in respect of which an application to renewal was made on March 3, 2021.

(b) Application for Authorisation under Bio-Medical Waste (Management and Handling) Rules, 2016 made for our manufacturing facility at Plot P1 & P2, Phase -II, MIDC Hinjawadi, Pune – 411057 and SIDCO Industrial Complex, Bari Brahmana, Jammu are pending.

b) Approvals that have expired and renewal to be applied for

Nil

c) Approvals yet to be applied for

Nil

(B) Our Material Subsidiaries

Gennova Biopharmaceuticals Limited and Zuventus Healthcare Limited require approvals and/or licenses under various state and central laws, rules, and regulations. These approvals and/or licenses, amongst other things, include licenses under the Factories Act, 1948, the Drugs and Cosmetics Act, 1940 and the Drugs and Cosmetics Rules, 1945, 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, recognition of our in-house Research and Development unit issued by the Department of Scientific and Industrial Research, the Narcotic Drugs and Psychotropic Substances Act, 1985, Fire No Objection Certificates from regional authorities, certification for adhering to the World Health Organisation – Good Manufacturing Practices by the regional drug authorities, the Contract Labour (Regulation and Abolition) Act, 1970, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, and the Employees State Insurance Act, 1948. In addition, Zuventus Healthcare Limited has also acquired authorization under the Bio-Medical Waste (Management) Rules, 2016, Inter-state Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Petroleum Act, 1934.

Gennova Biopharmaceuticals Limited and Zuventus Healthcare Limited have obtained registrations under central and state specific tax laws such as the Income Tax Act, 1961, goods and services tax acts, state specific profession tax acts. Gennova Biopharmaceuticals Limited and Zuventus Healthcare Limited have also obtained the Importer – Exporter Code from the Ministry of Commerce and Industry.

Approvals that have expired and renewal to be applied for

Gennova Biopharmaceuticals Limited and Zuventus Healthcare Limited have obtained all material approvals, consents, licenses, registrations and permits that are required for undertaking their current business activities.

Approvals applied for but not received

(a) Application for Authorization under Bio-Medical Waste (Management and Handling) Rules, 1998 made for Gennova Biopharmaceuticals Limited's manufacturing facility at Plot P1 & P2, Phase -II, MIDC Hinjawadi, Pune – 411057 is pending.

Marcan Pharmaceuticals Inc.

As certified by LaBarge Weinstein LLP *vide* its certificate dated August 13, 2021, Marcan has obtained all necessary licenses, consents, permits, authorisations and approvals from and has made all declarations and filings with, governmental, administrative, statutory, judicial, quasi-judicial or regulatory authorities or agencies or bodies having jurisdiction over Marcan (whether at local or at national level) to conduct or carry out its business or operations and own, lease, license or use its properties.

(C) **Foreign approvals in relation to our business operations.**

Since our products are exported to customers in various foreign jurisdictions, our manufacturing facilities and products are required to obtain certain licenses and/ or registrations from the relevant foreign regulatory and governing authorities of the relevant jurisdictions such as European Directorate for the Quality of Medicines & Healthcare, Council of Europe, U.S. Food and Drugs Administration, Medicines and Healthcare products Regulatory Agency, United Kingdom, Health Canada, Canada and ANVISA (Agência Nacional de Vigilância Sanitária), Brazil.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer has been authorised by our Board of Directors pursuant to the resolution passed at its meeting dated July 27, 2021 and by our Shareholders pursuant to a resolution passed at their meeting dated July 30, 2021, and this DRHP has been approved by our Board on August 18, 2021.

Each of the Selling Shareholders has, severally and not jointly, confirmed and approved its participation in the Offer for Sale in relation to its portion of the Offered Shares, as set out below:

Sr. No.	Name of Selling Shareholder	Date of consent letter	Date of board resolution	Maximum amount of Offered Shares
Promoter Selling Shareholders				
1.	Satish Mehta	August 16, 2021	N.A.	Up to 2,030,000 Equity Shares aggregating up to ₹ [●] million
2.	Sunil Mehta	August 16, 2021	N.A.	Up to 250,000 Equity Shares aggregating up to ₹ [●] million
Total				**Up to 2,280,000 Equity Shares aggregating up to ₹ [●] million**
Promoter Group Selling Shareholders				
3.	Pushpa Mehta	August 16, 2021	N.A.	Up to 1,250,000 Equity Shares aggregating up to ₹ [●] million
4.	Bhavana Mehta[(1)]	August 16, 2021	N.A.	Up to 631,400 Equity Shares aggregating up to ₹ [●] million
5.	Samit Mehta	August 16, 2021	N.A.	Up to 550,000 Equity Shares aggregating up to ₹ [●] million
6.	Kamini Mehta	August 16, 2021	N.A.	Up to 350,000 Equity Shares aggregating up to ₹ [●] million
7.	Namita Thapar	August 16, 2021	N.A.	Up to 268,600 Equity Shares aggregating up to ₹ [●] million
8.	Sanjay Mehta	August 16, 2021	N.A.	Up to 250,000 Equity Shares aggregating up to ₹ [●] million
9.	Surekha Shah	August 16, 2021	N.A.	Up to 100,000 Equity Shares aggregating up to ₹ [●] million
10.	Smita Paresh Shah	August 16, 2021	N.A.	Up to 65,000 Equity Shares aggregating up to ₹ [●] million
11.	Swati Shah[(2)]	August 16, 2021	N.A.	Up to 65,000 Equity Shares aggregating up to ₹ [●] million
12.	Shaila Gujar	August 16, 2021	N.A.	Up to 65,000 Equity Shares aggregating up to ₹ [●] million
13.	Suhasinee Shah[(3)]	August 16, 2021	N.A.	Up to 65,000 Equity Shares aggregating up to ₹ [●] million
14.	Girish Desai	August 16, 2021	N.A.	Up to 60,000 Equity Shares aggregating up to ₹ [●] million
15.	Ranjanakumari Desai	August 16, 2021	N.A.	Up to 15,000 Equity Shares aggregating up to ₹ [●] million
Total				**Up to 3,735,000 Equity Shares aggregating up to ₹ [●] million**
Investor Selling Shareholder				
16.	BC Investments IV Limited	August 16, 2021	August 2, 2021	Up to 9,950,000 Equity Shares aggregating up to ₹ [●] million
Total				**Up to 9,950,000 Equity Shares aggregating up to ₹ [●] million**
Other Selling Shareholders				
17.	Arunkumar Khanna	August 16, 2021	N.A.	Up to 600,000 Equity Shares aggregating up to ₹ [●] million
18.	Sonali Mehta	August 16, 2021	N.A.	Up to 350,000 Equity Shares aggregating up to ₹ [●] million
19.	Mukund Gurjar	August 16, 2021	N.A.	Up to 200,000 Equity Shares aggregating up to ₹ [●] million
20.	Prakash Kumar Guha	August 16, 2021	N.A.	Up to 125,000 Equity Shares aggregating up to ₹ [●] million
21.	Shreekant Bapat[(4)]	August 16, 2021	N.A.	Up to 125,000 Equity Shares aggregating up to ₹ [●] million

Sr. No.	Name of Selling Shareholder	Date of consent letter	Date of board resolution	Maximum amount of Offered Shares
22.	Berjis Desai	August 16, 2021	N.A.	Up to 122,856 Equity Shares aggregating up to ₹ [●] million
23.	Smita Dilip Shah	August 16, 2021	N.A.	Up to 116,000 Equity Shares aggregating up to ₹ [●] million
24.	Humayun Dhanrajgir[(5)]	August 16, 2021	N.A.	Up to 102,000 Equity Shares aggregating up to ₹ [●] million
25.	Umakant Shah	August 16, 2021	N.A.	Up to 100,000 Equity Shares aggregating up to ₹ [●] million
26.	Rustom Soonawala[(6)]	August 16, 2021	N.A.	Up to 94,500 Equity Shares aggregating up to ₹ [●] million
27.	Usha Shah	August 16, 2021	N.A.	Up to 90,000 Equity Shares aggregating up to ₹ [●] million
28.	Jaydeep Desai[(7)]	August 16, 2021	N.A.	Up to 60,000 Equity Shares aggregating up to ₹ [●] million
29.	Jashvantlal Shah	August 16, 2021	N.A.	Up to 30,000 Equity Shares aggregating up to ₹ [●] million
30.	Saumil Shah[(8)]	August 16, 2021	N.A.	Up to 30,000 Equity Shares aggregating up to ₹ [●] million
31.	Shriram Balasubramanian	August 16, 2021	N.A.	Up to 25,000 Equity Shares aggregating up to ₹ [●] million
32.	Vikas Thapar	August 16, 2021	N.A.	Up to 20,000 Equity Shares aggregating up to ₹ [●] million
33.	Hitesh Jain	August 16, 2021	N.A.	Up to 13,000 Equity Shares aggregating up to ₹ [●] million
Total				**Up to 2,203,356 Equity Shares aggregating up to ₹ [●] million**

Notes:

(1) Includes 131,400 Equity Shares jointly held by Bhavana Mehta with Satish Mehta, Bhavana Mehta being the first holder.

(2) Entire shareholding held by Swati Shah with Hetal Shah, Swati Shah being the first holder.

(3) Entire shareholding held by Suhasinee Shah with Saumil Shah, Suhasinee Shah being the first holder.

(4) Entire shareholding held by Shreekant Bapat with Alaka Bapat, Shreekant Bapat being the first holder.

(5) Entire shareholding held by Humayun Dhanrajgir with Jini Dhanrajgir, Humayun Dhanrajgir being the first holder.

(6) Entire shareholding held by Rustom Soonawala with Kamal Neville Tata and Feroze Rustom Soonawala, Rustom Soonawala being the first holder.

(7) Entire shareholding held by Jaydeep Desai with Shobhna Desai, Jaydeep Desai being the first holder.

(8) Entire shareholding held by Saumil Shah with Suhasinee Shah, Saumil Shah being the first holder.

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by SEBI, RBI or other Governmental Authorities

Our Company, Promoters, Promoter Group, Directors, and the Selling Shareholders are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court. Since our Promoters are individuals, there are no persons in control of our Promoters.

None of our Directors are, in any manner, associated with the securities market and there is no outstanding action initiated by SEBI against the Directors of our Company in the past five years preceding the date of this Draft Red Herring Prospectus.

Our Company, Promoters or Directors have not been declared as wilful defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

Our Promoters or Directors have not been declared as fugitive economic offenders.

Confirmation under Companies (Significant Beneficial Owners) Rules, 2018

Our Company, our Promoters, members of Promoter Group and the Selling Shareholders (to the extent applicable) are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- Our Company has net tangible assets of at least ₹ 30 million, calculated on a restated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;
- Our Company has an average operating profit of at least ₹ 150 million, calculated on a restated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;
- 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 basis; and
- Our Company has not changed its name in the last one year.

Our Company's operating profit, net worth and net tangible assets derived from the Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus as at, and for the last three Financial Years are set forth below:

(₹ in million)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Net tangible assets*, as restated and consolidated	12,546.34	6,966.66	5,777.47
Operating profit **, as restated and consolidated	8,200.68	2,796.26	4,605.84
Net worth***, as restated and consolidated	22,730.22	19,119.54	18,292.61
Monetary assets, as restated and consolidated	5,318.18	1,770.93	1,127.52
Monetary assets, as restated and consolidated as a % of Net tangible assets##, as restated and consolidated	42.39%	25.42%	19.52%

** Net tangible assets, Restated and consolidated, mean the sum of all net assets of the Company and excluding intangible assets and intangible assets under development and right of use assets reduced by total liabilities excluding deferred tax asset (Net) of our Company*

***Restated and consolidated Operating profit has been calculated as restated and consolidated net profit before tax excluding other income and finance cost, each on a restated and consolidated basis.*

****Restated and consolidated net worth has been defined as the aggregate of share capital and other equity.*

'Monetary assets as restated as a percentage of the net .tangible assets' means monetary assets as restated divided by net tangible assets. as restated, expressed as a percentage

For further details, see "*Other Financial Information*" on page 341.

The status of compliance of our Company with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

(i) Our Company, the Promoters, members of the Promoter Group, our Directors and the Selling Shareholders are not debarred from accessing the capital markets by SEBI;

(ii) The companies with which our Promoters or our Directors are associated as promoter or director are not debarred from accessing the capital markets by SEBI;

(iii) Neither our Company, nor our Promoters or Directors have been identified as a wilful defaulter (as defined in the SEBI ICDR Regulations);

(iv) None of our Directors has been declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018;

(v) There are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares of our Company as on the date of filing of this Draft

Red Herring Prospectus;

(vi) Our Company, along with the Registrar to the Company, has entered into tripartite agreements dated August 23, 2013 and June 26, 2013 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares;

(vii) The Equity Shares of our Company held by our Promoters are in dematerialised form;

(viii) The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus; and

(ix) There is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance.

Our Company shall not make an Allotment if the number or prospective allottees is less than 1,000 in accordance with Regulation 49(1) of the SEBI ICDR Regulations.

Each Selling Shareholder confirms that the Equity Shares offered by it as part of the Offer for Sale have been held by it in compliance with Regulation 8 of the SEBI ICDR Regulations.

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. AXIS CAPITAL LIMITED, BOFA SECURITIES INDIA LIMITED, CREDIT SUISSE SECURITIES (INDIA) PRIVATE LIMITED, JM FINANCIAL LIMITED AND BOB CAPITAL MARKETS LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, AXIS CAPITAL LIMITED, BOFA SECURITIES INDIA LIMITED, CREDIT SUISSE SECURITIES (INDIA) PRIVATE LIMITED, JM FINANCIAL LIMITED AND BOB CAPITAL MARKETS LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED AUGUST 18, 2021 IN ACCORDANCE WITH SEBI (MERCHANT BANKERS) REGULATIONS, 1992, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V (FORM A) OF THE SEBI ICDR REGULATIONS.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE MANAGERS ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to this Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act. All legal requirements pertaining to this Offer will be complied with at the time of filing of the Prospectus with the RoC in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act.

Disclaimer from our Company, our Directors and Managers

Our Company, our Directors and the Managers accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website https://emcure.com, or the respective websites of our Promoters, Promoter Group or any affiliate of our Company would be doing so at his or her own risk.

The Managers accept no responsibility, save to the limited extent as provided in the Offer Agreement and as will be provided for in the Underwriting Agreement.

All information shall be made available by our Company and the Managers to the Bidders and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not 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 Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The Managers and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, our Promoters, their respective directors and officers, 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 our Company, its directors, the Promoters, officers, agents, group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer from the Selling Shareholders

The Selling Shareholders accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website https://emcure.com would be doing so at his or her own risk. The Selling Shareholders, their respective directors, affiliates, associates, and officers accept no responsibility for any statements made in this Draft Red Herring Prospectus, other than those specifically made or confirmed by such Selling Shareholder in relation to itself as a Selling Shareholder and its portion of the Offered Shares.

The Selling Shareholders shall not be liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise; or (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Bidders will be required to confirm and will be deemed to have represented to the Selling Shareholders and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not 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. The Selling Shareholders and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, 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 equity shares, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up

and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs and AIFs that they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai, Maharashtra, India only.

Neither the delivery of this Draft Red Herring Prospectus nor the offer of the Offered Shares shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or the Selling Shareholders since the date of this Draft Red Herring Prospectus or that the information contained herein is correct as of any time subsequent to this date.

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.**

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 U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act), pursuant to Section 4(a) of the U.S. Securities Act and (b) outside of the United States in offshore transactions as defined in and in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where such offers and sales are made.

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.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the 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 in accordance with applicable laws.

Disclaimer clause of BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer clause of the NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to the NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Listing

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Application will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

Consents

Consents in writing of: (a) the Selling Shareholders, our Directors, our Promoters, our Company Secretary and Compliance Officer, Banker(s) to the Company, legal counsels appointed for the Offer, CRISIL, the GCBRLMs and BRLMs, the Registrar to the Offer, Statutory Auditor, Madhav Shridhar Karandikar, the Chartered Engineer, in their respective capacities, have been obtained; (b) consents of the Monitoring Agency; the Syndicate Members, the Banker(s) to the Offer/ Escrow Collection Bank(s)/ Refund Bank(s), Sponsor Bank, to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, and such consents, which have been obtained, have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

Expert to the Offer

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

Our Company has received written consent dated August 12, 2021 from BSR & Co. LLP, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) their examination report dated August 12, 2021 on our Restated Consolidated Financial Statements; and (ii) their report dated August 12, 2021 on the Statement of Possible Special Tax Benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Additionally, our Company has also received a letter dated August 7, 2021 from Madhav Shridhar Karandikar, Chartered Engineer, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, 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 their capacity as the independent chartered engineer and in respect of the certificate issued by him and information included in this Draft Red Herring Prospectus.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not made any public or rights issue during the last five years.

Particulars regarding capital issues by our Company and listed group companies, subsidiaries or associate entity during the last three years

Other than as disclosed in "*Capital Structure*" on page 101, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus. Further, our Company does not have any listed group companies, subsidiaries or associate.

Commission and Brokerage paid on previous issues of the Equity Shares in the last five years

Since this is the initial public issue of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares for last five years by our Company.

Performance vis-à-vis objects – Public/ rights issue of our Company

Our Company has not undertaken any public or rights issue in the five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public/ rights issue of the listed subsidiaries/listed Promoter of our Company

The securities of our Promoters and our Subsidiaries are not listed on any stock exchange.

Price information of past issues handled by the Managers

A. Axis Capital Limited

1. *Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Axis Capital 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	Clean Science And Technology Limited	15,466.22	900.00	19-Jul-21	1,755.00	+66.33%, [+5.01%]	-	-
2	India Pesticides Limited	8,000.00	296.00	5-Jul-21	350.00	+12.64%, [+1.87%]	-	-
3	Krishna Institute Of Medical Sciences Limited[!]	21,437.44	825.00	28-Jun-21	1,009.00	+48.10%, [-0.43%]	-	-
4	Dodla Dairy Limited	5,201.77	428.00	28-Jun-21	550.00	+44.94%, [-0.43%]	-	-
5	Shyam Metalics And Energy Limited[@]	9,085.50	306.00	24-Jun-21	380.00	+40.95%, [+0.42%]	-	-
6	Macrotech Developers Limited	25,000.00	486.00	19-April-21	436.00	+30.22%, [+5.21%]	+75.43%, [+10.89%]	-
7	Barbeque – Nation Hospitality Limited	4,528.74	500.00	07-April-21	489.85	+18.77%, [-0.64%]	+76.97%, [+6.85%]	-
8	Suryoday Small Finance Bank Limited[$]	5,808.39	305.00	26-Mar-21	292.00	-18.38%, [-1.14%]	-26.87%, [+8.13%]	-
9	Kalyan Jewellers India Limited[#]	11,748.16	87.00	26-Mar-21	73.95	-24.60%, [-1.14%]	-7.07%, [+8.13%]	-
10	Craftsman Automation Limited	8,236.96	1,490.00	25-Mar-21	1,359.00	-13.82%, [+0.11%]	+16.81%, [+10.11%]	-

Source: www.nseindia.com
$ Offer Price was ₹ 275.00 per equity share to Eligible Employees
 # Offer Price was ₹ 79.00 per equity share to Eligible Employees
@ Offer Price was ₹ 291.00 per equity share to Eligible Employees
! Offer Price was ₹ 785.00 per equity share to Eligible Employees

Notes:
a. Issue Size derived from Prospectus/final post issue reports, as available.
b. The CNX NIFTY is considered as the Benchmark Index.
c. Price on NSE is considered for all of the above calculations.
d. In case 30th/90th/180th day is not a trading day, closing price on NSE of the previous trading day has been considered.
e. Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

2. *Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Axis Capital 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	88,719.67	-	-	-	1	4	2	1	-	-	-	-	-
2020-2021	11	93,028.90	-	-	6	2	1	2	-	-	-	2	1	2
2019-2020	5	161,776.03	-	1	2	-	-	2	1	1	-	-	-	3

** The information is as on the date of the document*
The information for each of the financial years is based on issues listed during such financial year.
Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

B. BofA Securities India Limited

1. *Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by BofA Securities India Limited*

Sr. No.	Offer Name	Offer Size (₹ in mm)	Offer Price (₹)	Listing Date	Opening Price on Listing Date (₹)[(2)]	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing [(3) (4) (5)]	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing [(3) (4) (6)]	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing [(3) (4) (7)]
1	Glenmark Life Sciences Limited	15,136.00	720.00	6-Aug-2021	750.00	-	-	-
2	Zomato Limited	93,750.00	76.00	23-July-21	116.00	-	-	-
3	UTI Asset Management Company Limited	21,598.80	554.00	12-Oct-20	500.00	-10.43% [5.87%]	-1.02% [21.40%]	5.81% [24.34%]
4	SBI Cards and Payment Services Limited	103,407.80	755.00	16-Mar-20	661.00	-33.16% [-2.96%]	-21.52% [6.70%]	12.50% [24.65%]

Source: www.nseindia.com; for price information and prospectus/ basis of allotment for issue details

Notes:
1. *Equity public issues in last 3 financial years considered.*
2. *Opening price information as disclosed on the website of NSE.*
3. *Benchmark index is CNX Nifty.*
4. *In case 30th day, 90th day or 180th day is not a trading day, closing price on NSE of next trading day is considered.*
5. *30th listing day has been taken as listing date plus 29 calendar days.*
6. *90th listing day has been taken as listing date plus 89 calendar days.*
7. *180th listing day has been taken as listing date plus 179 calendar days.*

2. *Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by BofA Securities India Limited*

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22	2	108,886.00	-	-	-	-	-	-	-	-	-	-	-	-
2020-21	1	21,598.80	-	-	1	-	-	-	-	-	-	-	-	1
2019-20	1	103,407.80	-	1	-	-	-	-	-	-	-	-	-	1

Notes:

1. *The information is as on the date of this Draft Red Herring Prospectus.*
2. *Based on the day of listing*

C. Credit Suisse Securities (India) Private Limited

A. Price information of past issues handled by Credit Suisse Securities (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
a)	Metropolis Healthcare Limited	12,042.90	880.00	April 15, 2019	958.00	3.75%, [-4.01%]	21.39%, [-1.18%]	45.93%, [-3.30%]
b)	Sterling and Wilson Solar Limited	28,809.42	780.00	August 20, 2019	706.00	-21.88%, [-1.60%]	-48.63%, [7.97%]	-64.78%, [9.95%]
c)	Home First Finance Company India Limited	11,537.19	518.00	February 03, 2021	618.80	4.98%, [1.97%]	-5.64%, [-1.05%]	15.86%, [6.58%]
d)	Sona BLW Precision Forgings Limited	55,500.00	291.00	June 24, 2021	301.00	45.45%, [0.42%]	NA*	NA*
e)	Krishna Institute of Medical Sciences Limited	21,437.44	825.00	June 28, 2021	1,009.00	48.10%, [-0.43%]	NA*	NA*
f)	Zomato Limited	93,750.00	76.00	July 23, 2021	116.00	NA*	NA*	NA*

Source: Source: www.nseindia.com for the price information and prospectus for issue details.

**Data not available*

Note:

1. *30th, 90th, 180th calendar days 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 date.*
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. *NIFTY is considered as the benchmark index*

B. Summary statement of price information of past issues handled by Credit Suisse Securities (India) Private Limited:

Fiscal	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%

Fiscal	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22	3	1,70,687.44	-	2	-	-	-	-	-	-	-	-	-	-
2020-21	1	11,537.19	-	-	-	-	-	1	-	-	-	-	-	1
2019-20	2	40,852.32	-	-	1	-	-	1	1	-	-	-	1	-

D. JM Financial Limited

Price information of past issues handled by *JM Financial Limited*

Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by JM Financial Limited.

Sr. No.	Issue name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
1.	Krsnaa Diagnostics Limited[9]	12,133.35	954.00	August 16, 2021	1,005.55	Not Applicable	Not Applicable	Not Applicable
2.	Rolex Rings Limited	7,310.00	900.00	August 09, 2021	1,250.00	Not Applicable	Not Applicable	Not Applicable
3.	Tatva Chintan Pharma Chem Limited	5,000.00	1,083.00	July 29, 2021	2,111.85	Not Applicable	Not Applicable	Not Applicable
4.	Clean Science and Technology Limited	15,466.22	900.00	July 19, 2021	1,755	66.33% [5.47%]	Not Applicable	Not Applicable
5.	India Pesticides Limited	8,000.00	296.00	July 5, 2021	350.00	12.64% [1.87%]	Not Applicable	Not Applicable
6.	Shyam Metalics and Energy Limited[7]	9,085.50	306.00	June 24, 2021	380.00	40.95% [0.42%]	Not Applicable	Not Applicable
7.	Sona BLW Precision Forgings Limited	55,500.00	291.00	June 24, 2021	301.00	45.45% [0.42%]	Not Applicable	Not Applicable
8.	Macrotech Developers Limited	25,000.00	486.00	April 19, 2021	436.00	30.22% [5.21%]	75.43% [10.89%]	Not Applicable
9.	Anupam Rasayan India Limited[8]	7,600.00	555.00	March 24, 2021	520.00	-0.11% [-0.98%]	30.49%[8.23%]	Not Applicable
10.	Easy Trip Planners Limited	5,100.00	187.00	March 19, 2021	212.25	-7.27% [-0.86%]	124.68%[6.94%]	Not Applicable

Source: www.nseindia.com for price information and prospectus/basis of allotment for issue details

Notes:

1. *Opening price information as disclosed on the website of NSE.*
2. *Change in closing price over the issue/offer price as disclosed on NSE.*
3. *Change in closing price over the closing price as on the listing date for benchmark index viz. NIFTY 50.*
4. *In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.*
5. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken a listing date plus 179 calendar days.*
6. *Restricted to last 10 issues.*
7. *A discount of 4.90 % on the Offer Price was offered to the Eligible Employees Bidding in the Employee Reservation Portion ("**Employee Discount**") equivalent to ₹ 15 per Equity Share.*
8. *A discount of Rs. 55 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
9. *A discount of Rs. 93 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
10. *Not Applicable – Period not completed*

1. Summary statement of price information of past issues handled by JM Financial Limited:

Financial Year	Total no. of IPOs	Total funds raised (₹ 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	8	1,37,495.07	-	-	-	1	3	1	-	-	-	-	-	-
2020-2021	8	62,102.09	-	-	3	2	1	2	-	-	-	3	1	1
2019-2020	4	36,400.83**	-	-	1	-	1	2	-	1	1	-	1	1

***Spandana Sphoorty Financial Limited raised Rs. 11,898.49 million as against the issue size of Rs. 12,009.36 million*

E. BOB Capital Markets Limited

1. Price information of past issues handled by BOB Capital Markets Limited:

Sr. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing[(2) (3)]	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing[(2) (3)]	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Glenmark Life Sciences Limited	15,136.00	720	August 06, 2021	750.00	Not Available	Not Available	Not Available
2.	Macrotech Developers India Limited	25,000.00	486	April 19,2021	436.00	+30.22%[+5.21%]	+75.43%[+10.89%]	Not Available
3.	Kalyan Jewellers India Limited	11,748.16	87[(1)]	March 26, 2021	73.95	-24.60%[-1.14%]	-8.33%[+8.84%]	Not Available

Source: www.nseindia.com

Notes:

(1) A discount of ₹ 8.00 per equity share offered to the eligible employees. All calculations are based on the issue price of ₹ 87 per equity share.

(2) The 30th and the 90th calendar day from listing day have been taken as listing day plus 29 & 89 calendar days respectively. In the event any day falls on a holiday, the price/index of the previous trading day has been considered.

(3) The Nifty 50 index is considered as the Benchmark Index.

2. Summary statement of price information of past issues handled by BOB Capital Markets Limited:

Fiscal	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	2	40,136.00	-	-	-	-	1	-	-	-	-	-	-	-

Fiscal	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%
2020-21	1	11,748.16	-	-	1	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: Prospectus for issue details

Note:

1) The information is as on the date of this Draft Red Herring Prospectus.

2) *The information for each of the financial year is based on issues listed during such financial year.*

Track record of past issues handled by the Managers

For details regarding the track record of the Managers, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, see the websites of the Managers, as set forth in the table below:

Sr. No.	Name of Managers	Website
1.	Axis Capital Limited	www.axiscapital.co.in
2.	BofA Securities India Limited	www.bofa.com
3.	BOB Capital Markets Limited	www.bobcaps.in
4.	Credit Suisse Securities (India) Private Limited	www.credit-suisse.com
5.	JM Financial Limited	www.jmfl.com

Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for redressal of Investor Grievances

The Registrar Agreement provides for the 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 on the Stock Exchanges, subject to agreement with our Company for storage of such records for longer period, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Managers and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors 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, the Managers and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. In terms of SEBI circular 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 at the rate of 15% per annum for any delay beyond this period of 15 days. Further, in accordance with the provisions of the 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, the investors shall be compensated by the SCSBs at the rate higher of ₹ 100 or 15% per annum of the application amount in the events of delayed or withdrawal of applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/ partially-allotted applications for the stipulated period. In an event there is a delay in redressal of investor grievances in relation to unblocking of amounts beyond the date of receipt of the complaint, the Managers shall be liable to compensate the investors at the rate higher of ₹ 100 per day or 15% per annum of the application amount for the period of such delay, to the extent applicable.

Anchor Investors are required to address all grievances in relation to the Offer to the Managers.

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.

Disposal of Investor Grievances by our Company

Our Company has obtained authentication on the SCORES and is in compliance with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 and the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Our Company has not received any investor grievances in the last three Financial Years prior to the filing of this Draft Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of filing of this Draft Red Herring Prospectus. 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 10 Working 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 as expeditiously as possible.

Our Company has appointed B. Renganathan, as the Company Secretary and Compliance Officer for the Offer and he may be contacted in case of any pre-Offer or post-Offer related problems. For further details, see "*General Information*" on page 90.

Our Company has also constituted a Stakeholders' Relationship Committee comprising of Shreekant Bapat, Berjis Desai and Satish Mehta as members, to review and redress shareholder and investor grievances. For further details, see "*Our Management*" on page 227.

SECTION VII – OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered and Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the MoA, AoA, Listing Regulations, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital, offer for sale and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

The Offer

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

Ranking of the Equity Shares

The Allottees upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. The Equity Shares Allotted in the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, MoA and AoA, and shall rank pari passu with the existing Equity Shares in all respects including dividends. For further details, see "*Description of Equity Shares and Terms of Articles of Association*" on page 437.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders as per the provisions of the Companies Act, our MoA, AoA, the Listing Regulations and other applicable laws including guidelines or directives that may be issued by the GoI in this respect. All dividends, declared by our Company after the date of Allotment (pursuant to the Allotment of Equity Shares), will be payable to the Allottees, for the entire year, in accordance with applicable law. For further details in relation to dividends, see "*Dividend Policy*" and "*Description of Equity Shares and Terms of the Articles of Association*" on pages 249 and 437, respectively.

Face Value, Offer Price and Price Band

The face value of each Equity Share is ₹ 10 and the Offer Price at Floor Price is ₹ [●] per Equity Share and at Cap Price is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size will be decided by our Company in consultation with the Selling Shareholders, and will be advertised, at least two Working Days prior to the Bid/ Offer Opening Date, in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Marathi national daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located) each with wide circulation and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges. The Offer Price shall be determined by our Company in consultation with the Selling Shareholders and Managers, after the Bid/ Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time, there shall be only one denomination for the Equity Shares.

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 Shareholders

Subject to applicable laws, rules, regulations and guidelines and the AoA, 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, 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, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the Listing Regulations and our AoA and other applicable laws.

For a detailed description of the main provisions of the AoA of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "*Description of Equity Shares and Terms of Articles of Association*" on page 437.

Market Lot and Trading Lot

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 and the Listing Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been entered into amongst our Company, the respective Depositories and Registrar to the Company:

- Tripartite agreement dated August 23, 2013 amongst our Company, NSDL and Registrar to the Company.
- Tripartite agreement dated June 26, 2013 amongst our Company, CDSL and Registrar to the Company.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares. For the method of basis of allotment, see "*Offer Procedure*" on page 417.

Joint Holders

Where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, read with the Companies (Share Capital and Debentures) Rules, 2014, 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/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination/ cancel nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer 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 the Board, elect either:

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

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the 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 dematerialized 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 the nomination, they are requested to inform their respective Depository Participant.

Withdrawal of the Offer

Our Company in consultation with the Selling Shareholders and the Managers, reserve the right not to proceed with the Offer, 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 and inform the Stock Exchanges simultaneously. The 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 within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, this Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment.

Bid/ Offer Programme

BID/ OFFER OPENS ON	**[●]**[(1)]
BID/ OFFER CLOSES ON	**[●]**[(2)]

(1) Our Company in consultation with the Selling Shareholders and Managers, consider participation by Anchor Investors. The Anchor Investor Bid/ Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date in accordance with the SEBI ICDR Regulations

(2) Our Company in consultation with the Selling Shareholders and Managers, consider closing the Bid/ Offer Period for QIBs one day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Bid/ Offer Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

***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 by the intermediary responsible for causing such delay in unblocking in accordance with applicable law. The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, 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, the Selling Shareholders and the Managers.

Whilst the 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 period as may be prescribed by the SEBI, the timetable may be extended due to various factors, such as extension of the Bid/ Offer Period by our Company in consultation with the Selling Shareholders and Managers, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges, and delay in respect of

final certificates from SCSBs. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

In terms of the UPI Circulars, in relation to the Offer, the 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.

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 the Draft Red Herring Prospectus may result in changes to the above mentioned timelines. Further, the offer procedure is subject to change to any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Bid/ Offer Period (except the Bid/ Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("**IST**")
Bid/ Offer Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

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.

On Bid/ Offer Closing Date, extension of time will be granted by the Stock Exchanges only for uploading Bids received by Retail Individual Bidders, after taking into account the total number of Bids received and as reported by the Managers to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such applications by the closing hours of the Working Day.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/ Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/ Offer Closing Date, and in any case no later than 3:00 p.m. IST on the Bid/ Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids will be accepted only during Working Days, during the Bid/ Offer Period. Bids will be accepted only during Monday to Friday (excluding any public holiday), during the Bid/Offer period. Bids and revisions shall not be accepted on Saturdays and public holidays. 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.

Our Company in consultation with the Selling Shareholders and the Managers, reserve the right to revise the Price Band during the Bid/ Offer Period. 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. The Floor Price will 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.

In case of revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ Offer Period not exceeding 10 Working Days. In

cases of force majeure, strike or similar circumstances, our Company in consultation with the Selling Shareholders and Managers, 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 Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the terminals of the Syndicate Members and by intimation to the Designated Intermediaries. In case of revision of price band, the Bid lot shall remain the same.

In case of discrepancy in data entered in the electronic book vis-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

The requirement of minimum subscription is not applicable to the Offer for Sale in accordance with the SEBI ICDR Regulations. In the event our Company does not receive (i) a minimum subscription of 90% of the Fresh Issue, and (ii) a subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including devolvement of Underwriters, if any, within 60 days from the date of Bid/ Offer Closing Date, or if the subscription level falls below the thresholds mentioned above after the Bid Closing Date, on account of withdrawal of applications or after technical rejections or any other reason, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being offered under the Red Herring Prospectus, the Selling Shareholders, to the extent applicable, and our Company shall forthwith refund the entire subscription amount received. In terms of the SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, our Company shall within four days from the closure of the Offer, refund the subscription amount received in case of non – receipt of minimum subscription or in case our Company fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares. If there is a delay beyond the prescribed time, the Selling Shareholders, to the extent applicable, and our Company shall pay interest prescribed under the applicable law.

In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the SCRR, (i) Allotment will be first made in the first instance towards subscription for 90% of the Fresh Issue, then (ii) all the Equity Shares held by the Selling Shareholders and offered for sale in the Offer for Sale will be Allotted; and once Equity Shares have been Allotted as per (i) and (ii) above, such number of Equity Shares will be Allotted by our Company towards the balance 10% of the Fresh Issue portion. Further, the Selling Shareholders and our Company and 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 the 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.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Offer.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

Restrictions, if any, on Transfer and Transmission of Equity Shares and on their consolidation or splitting

Except for lock-in of the pre-Offer 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 101 and except as provided under the AoA, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of any shares of our Company and on their consolidation or splitting, except as provided in the AoA. For further details, see "*Description of Equity Shares and terms of Articles of Association*" on page 437.

OFFER STRUCTURE

Initial Public Offering of up to [●] equity shares of face value of ₹ 10 each ("**Equity Shares**") of our Company for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) ("**Offer Price**") aggregating up to ₹ [●] million (the "**Offer**") comprising a fresh issue of up to [●] Equity Shares aggregating up to ₹ 11,000 million by our Company (the "**Fresh Issue**") and an offer for sale of up to 18,168,356 Equity Shares aggregating up to ₹ [●] million, including up to 2,030,000 Equity Shares aggregating up to ₹ [●] million by Satish Mehta and up to 250,000 Equity Shares aggregating up to ₹ [●] million by Sunil Mehta (the "**Promoter Selling Shareholders**"), up to 3,735,000 Equity Shares aggregating up to ₹ [●] million by the Promoter Group Selling Shareholders as set out under Annexure A (the "**Promoter Group Selling Shareholders**"), up to 9,950,000 Equity Shares aggregating up to ₹ [●] million by BC Investments IV Limited (the "**Investor Selling Shareholder**") and up to 2,203,356 Equity Shares aggregating up to ₹ [●] million by other selling shareholders as set out under Annexure A ("**Other Selling Shareholders**"), the Promoter Selling Shareholders, Promoter Group Selling Shareholders, Investor Selling Shareholder and Other Selling Shareholders, collectively referred as "Selling Shareholders" and such offer for sale by the Selling Shareholders, the "**Offer For Sale**"). This 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 of our Company) for purchase by eligible employees (the "Employee Reservation Portion"). The Offer and the Net Offer would constitute [●] % and [●] % of our post-offer paid-up Equity Share Capital.

For more information in respect of the participation of the Selling Shareholders in the Offer, please refer Annexure A.

Our Company may, in consultation with the Selling Shareholders and Managers, consider a Pre-IPO Placement of an aggregate amount not exceeding ₹2,000 million, to certain investors. Any Pre-IPO Placement to investors will be at a price to be decided by our Company, in consultation with the Selling Shareholders and Managers. The Pre-IPO Placement, if undertaken, will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to the minimum Offer Size complying with Rule 19 (2) (b) of the SCRR.
The Offer is being made through the Book Building Process.

Particulars	Eligible Employees[#]	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/ allocation [(2)]	Up to [●] Equity Shares	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer size available for Allotment/ allocation	The Employee Reservation Portion shall constitute upto [●]% of the post-Offer paid-up Equity Share capital of our Company	Not more than 50% of the Net Offer shall be available for allocation to QIBs. However, 5% of the Net QIB Portion (i.e. excluding the Anchor Investor Portion) shall 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 Net QIB Portion (i.e. excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs	Not less than 15% of the Net Offer or the Net Offer less allocation to QIBs and Retail Individual Bidders will be available for allocation	Not less than 35% of the Net Offer or Net Offer less allocation to QIBs and Non-Institutional Bidders will be available for allocation
Basis of Allotment/	Proportionate, unless the Employee Reservation	Proportionate as follows (excluding the Anchor	Proportionate	Allotment to each Retail Individual

Particulars	Eligible Employees[#]	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders
allocation if respective category is oversubscribed*	Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹200,000 (net of Employee Discount, if any). In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for value exceeding ₹200,000 (net of Employee Discount, if any), subject to total Allotment to an Eligible Employee not exceeding ₹500,000 (net of Employee Discount if any).	Investor Portion): (a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. 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		Bidder shall not be less than the minimum Bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares is any, shall be allotted on a proportionate basis. For further details see, "*Offer Procedure*" on page 417
Minimum Bid	[●] Equity Shares	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000	[●] Equity Shares
Maximum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares, so that the maximum Bid Amount by each Eligible Employee in Eligible Employee Portion does not exceed ₹500,000, less Employee Discount, if any	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Net Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Net Offer (excluding the QIB Portion), subject to applicable limits	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 dematerialized form			
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share			
Trading Lot	One Equity Share			
Who can apply[(3)] [(4)]	Eligible Employees	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, mutual funds registered with SEBI, FPIs (other than individuals, corporate bodies and family offices), FVCIs, VCFs, AIFs, multilateral and bilateral financial institutions, state industrial development corporation, insurance company	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies, trusts and FPIs who are individuals, corporate bodies and family offices	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)

Particulars	Eligible Employees[#]	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders
		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, 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.		
Terms of Payment	**In case of all other Bidders**: Full Bid Amount shall be blocked in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism (for RIBs using the UPI Mechanism) that is specified in the ASBA Form at the time of submission of the ASBA Form **In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids[(4)]			
Mode of Bidding	Only through the ASBA process (except for Anchor Investors).			

* *Assuming full subscription in the Offer*

[#]# *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 (net of Employee Discount), 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. The unsubscribed portion if any, in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion.*

(1) Our Company in consultation with the Selling Shareholders and the Managers, may allocate up to 60% of the QIB Portion to Anchor Investors 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 shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion

(2) Subject to valid Bids being received at or above the Offer Price. This is an Offer in terms of Rule 19(2)(b) of the SCRR in compliance with Regulation 6(1) of the SEBI ICDR Regulations

(3) In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The 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, except as otherwise permitted, in any or all categories.

(4) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.

Bids by FPIs with certain structures as described under "Offer Procedure - Bids by FPIs" on page 422 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Employee Discount, if any, will be offered to Eligible Employees bidding in the Employee Reservation Portion. 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, if any, 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 or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the Selling Shareholders, the Managers 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 408.

OFFER PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the "**General Information Document**") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations 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 and the Managers. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.*

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders/Applicants; (v) Issuance of CAN and Allotment in the Offer; (vi) General instructions (limited to instructions for completing the Bid Form,) designated date, disposal of applications and electronic registration of bids; (vii) submission of Bid cum Application Form; (viii) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act relating to punishment for fictitious applications; (x) mode of making refunds; (xi) designated date, (xii) interest in case of delay in allotment or refund; and (xiii) disposal of application.

*SEBI vide the UPI Circulars, 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 will continue for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently however, SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, has decided to continue with the UPI Phase II till further notice. The final reduced timeline of T+3 days 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 ("**March 16, 2021**") has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force for initial public offers opening on or after May 1, 2021 and the provisions of this circular are deemed to form part of this Draft Red Herring Prospectus. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 modifying the process timelines and extending the implementation timelines for certain measures introduced by the March 16 Circular.*

The Managers shall be the nodal entity for any issues arising out of public issuance process.

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI Circular. No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.

Our Company, the Selling Shareholders and the Managers do not accept any responsibility for the completeness and accuracy of the information stated in this section 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 and the Prospectus.

Further, our Company, the Selling Shareholders and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR, 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, provided that our Company in consultation with the Selling Shareholders, and the Managers, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors 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 at or above the Offer Price.

The Offer includes a reservation of up to [●] Equity Shares, aggregating up to ₹[●] million, for purchase by Eligible Employees not exceeding 5% of our post-Offer paid-up Equity Share capital. 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 Employee Discount, multiplied by the number of Equity Shares Bid for by such Eligible Employee and mentioned in the Bid cum Application Form. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000 on a net basis (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) in value. Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, 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 in value (net of Employee Discount).

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Selling Shareholders and Managers, and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price. 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. In case of an undersubscription in the Net Offer, the Equity Shares proposed for sale by the Selling Shareholders shall be in proportion to the Offered Shares by such Selling Shareholders.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors 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, PAN and UPI ID, as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the IPO.

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, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019. Under this phase, submission of the ASBA Form without UPI by RIBs to Designated Intermediaries (other than SCSBs) for blocking of funds will be discontinued. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, pursuant to SEBI circular dated March 30, 2020, this phase has been extended till further notice.

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. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer.

Pursuant to 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 Managers.

Bid cum Application Form

Copies of the ASBA Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered Office. An electronic copy of the ASBA Form will also be available for download on the respective websites of the Stock Exchanges (www.nseindia.com and 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 Managers.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. RIBs are mandatorily required to use the UPI Mechanism for submitting their bids to Designated Intermediaries and are allowed to use ASBA process by way of ASBA Forms to submit their bids directly to SCSBs. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

RIBs bidding using the UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Bidders (including Bidders using 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 or the UPI ID, as applicable, in the relevant space provided in the ASBA Form. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

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 Bidders, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked.

The Sponsor Bank shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis	[●]
Anchor Investors	[●]
Eligible Employees bidding in the Employee Reservation Portion	[●]

**Excluding electronic Bid cum Application Forms*

Notes:

(1) Electronic Bid cum Application forms and the abridged prospectus will also be available for download on the respective websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com).

(2) Bid cum Application Forms for Anchor Investors shall be available at the offices of the Managers.

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges. For RIBs using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. For ASBA Forms (other than RIBs) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

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. 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/Offer 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. 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 Banks and the issuer bank. The Sponsor Banks and the Bankers to the Offer shall provide the audit trail to the Managers for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on a daily basis and share reports with the Managers in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

Participation by Promoters and Promoter Group of the Company, the Managers and the Syndicate Members and persons related to Promoter/Promoter Group/the Managers

The 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 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 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 Managers and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither the Managers or any associates of the Managers (except Mutual Funds sponsored by entities which are associates of the Managers or insurance companies promoted by entities which are associate of the Managers or AIFs sponsored by the entities which are associate of the Managers or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the Managers) nor; (ii) any "person related to the Promoter / Promoter Group" shall apply in the Offer under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a "person related to the Promoter or Promoter Group": (a) rights under a shareholders' agreement or voting agreement entered into with the Promoter or Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an associate of the Managers, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the Managers.

The Promoters and one of the members of the Promoter Group, except to the extent of its Offered Shares, and the other members of the Promoter Group will not participate in the Offer.

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 reserves the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value 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 NRIs

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 authorize their respective SCSB or confirm or accept the UPI Mandate Request (in case of Retail Individual Investors Bidding through the UPI Mechanism) to block their Non- Resident External ("**NRE**") accounts (including UPI ID, if activated), or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSB to block their Non-Resident Ordinary ("**NRO**") accounts or confirm or accept the UPI mandate request (in case of RIBs using the UPI Mechanism) for the full Bid Amount, at the time of the submission of the Bid cum

Application Form. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Participation by Eligible NRIs in the Offer shall be subject to the FEMA Rules.

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

For further details, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 435.

Bids by HUFs

Hindu Undivided Families or HUFs, are required to be made in the individual name of the *karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *karta*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals.

Bids by FPIs

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and 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.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar to the Offer shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

A FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognized stock exchange in India, and/ or may purchase or sell securities other than equity instruments.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

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.

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.

An FPI issuing offshore derivate instruments is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to, *inter alia*, the following conditions:

(a) each offshore derivative instruments are transferred to persons subject to fulfilment of 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.

Bids by FPIs submitted under the multiple investment managers structure with the same PAN but with different beneficiary account numbers, Client ID and DP ID may not be treated as multiple Bids.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents.

Further, Bids received from FPIs bearing the same PAN will 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 which were issued in November 2019 to facilitate implementation of SEBI (Foreign Portfolio Investors) Regulations, 2019 (such structure "**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, were 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 names of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids will be rejected.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, venture capital funds which have not re-registered as AIFs under the SEBI AIF Regulations shall continue to be regulated by the SEBI (Venture Capital Funds) Regulations, 1996 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. The SEBI FVCI Regulations prescribe the investment restrictions on FVCIs.

Accordingly, the holding in any company by any individual VCF or FVCIs registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offering.

Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A Category III AIF cannot invest more than 10% of the investible funds in one investee company. A 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 whose shares are proposed to be listed. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

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.

Our Company, the Selling Shareholders or the Managers will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the Selling Shareholders and Managers reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company in consultation with the Selling Shareholders and Managers reserve the right to reject any Bid without assigning any reason. The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the 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 SEBI circulars (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the Managers reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 as amended are broadly set forth below:

(a) equity shares of a company: the lower of 10%* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

(b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

[*]The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000 million or more but less than ₹ 2,500,000 million.

Insurance companies participating in this Offer 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, subject to applicable laws, with minimum corpus of ₹ 250 million, 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 in consultation with the Managers reserves the right to reject any Bid, without assigning any reason thereof.

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, 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 (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, 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 must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the Selling Shareholders and Managers reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the Selling Shareholders and 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 subject to the terms and conditions that our Company in consultation with the Selling Shareholders and Managers may deem fit.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important NBFCs 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 and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company in consultation with the Selling Shareholders and Managers, reserves the right to reject any Bid without assigning any reason thereof. 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 on a net basis. However, the initial allocation to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000 (which will be less Employee Discount). Allotment in the Employee Reservation Portion will be as detailed in the section "*Offer Structure*" beginning on page 413.

However, Allotments to Eligible Employees in excess of ₹ 200,000 shall be considered on a proportionate basis, in the event of undersubscription in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (which will be less 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:

- Made only in the prescribed Bid cum Application Form or Revision Form.
- Only Eligible Employees (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) would be eligible to apply in this Issue under the Employee Reservation Portion.
- In case of joint bids, the Sole/ First Bidder shall be the Eligible Employee.
- Bids by Eligible Employees may be made at Cut-off Price.
- 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.
- The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter.
- 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.
- Bids by Eligible Employees in the Employee Reservation Portion and in the Net Offer portion shall not be treated as multiple Bids.

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.

Bids by Anchor Investors

In accordance with the SEBI Regulations, 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 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.

5) Our Company in consultation with the Selling Shareholders and 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 will be made available in the public domain by the 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) 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 (a) the Managers (s) or any associate of the Managers (other than mutual funds sponsored by entities which are associate of the Managers or insurance companies promoted by entities which are associate of the Managers or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the Managers or FPIs, other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the 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. 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.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in the Offer.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the 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 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 regulation or as specified in the Red Herring Prospectus and the Prospectus.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid. In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholders and/or the Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

***Do's*:**

1. Check if you are eligible to apply as per the terms of this Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;

4. Ensure that you (other than Anchor Investors) have mentioned the correct ASBA Account number 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;

5. 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;

6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. Retail Individual Bidders using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;

7. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;

8. In case of joint Bids, ensure that first Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the first Bidder is included in the Bid cum Application Form;

9. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

10. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

11. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms. PAN of the First Bidder is required to be specified in case of joint Bids;

12. RIBs bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID which is UPI 2.0 certified by NPCI (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;

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. Retail Individual Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and not with any other Designated Intermediary;

15. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor 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, as the case may be, 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 raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

16. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by

persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

17. Ensure that the Demographic Details are updated, true and correct in all respects;

18. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

19. Ensure that the category and the investor status is indicated;

20. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

21. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;

22. Ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;

23. Ensure that when applying in the Offer using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the mobile application and the UPI handle being used for making the application in the Offer is also appearing in the "list of mobile applications for using UPI in public issues" displayed on the SEBI website and is also appearing in Annexure 'A' to the SEBI circular no.SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;

24. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;

25. 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;

26. RIBs 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, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form;

27. Ensure that Anchor Investors submit their Bid cum Application Forms only to the Managers;

28. 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;

29. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the

UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorisation of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorised the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form; and

30. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and RIBs bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in).

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);

3. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

5. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

6. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

7. Do not submit the Bid for an amount more than funds available in your ASBA account.

8. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;

9. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;

10. If you are a RIB and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;

11. Anchor Investors should not Bid through the ASBA process;

12. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

13. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

14. Do not submit the General Index Register (GIR) number instead of the PAN;

15. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

16. 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;

17. 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);

18. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;

19. Do not submit a Bid using UPI ID, if you are not a RIB;

20. Do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;

21. If you are a QIB, do not submit your Bid after 3:00 pm on the QIB Bid/Offer Closing Date;

22. Do not Bid on another ASBA Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

23. Do not Bid for Equity Shares in excess of what is specified for each category;

24. 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 applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;

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 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 the Bidding Centres;

27. If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID;

28. Do not Bid if you are an OCB;

29. 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;

30. Do not submit more than one Bid cum Application Form for each UPI ID in case of RIBs Bidding using the UPI Mechanism;

31. Do not submit a Bid cum Application Form with a third party UPI ID or using a third party bank account (in case of Bids submitted by Retail Individual Bidders using the UPI Mechanism); and

32. RIBs Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a bank which is not mentioned in the list provided in the SEBI website is liable to be rejected.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to our Company Secretary and Compliance Officer. For further details of Company Secretary and Compliance Officer, see "*General Information*" on page 90.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

Further, for helpline details of the Managers pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 see, *"General Information –Global Co-ordinators and Book Running Lead Managers"* and *"General Information –Book Running Lead Manager"* beginning on page 91.

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 Managers and the Registrar to the Offer, 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 through the Offer Document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the Offer may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Escrow Account(s) for Anchor Investors

Our Company in consultation with the Selling Shareholders and Managers, in their absolute discretion, 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. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Accounts. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) 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 by the SEBI ICDR Regulations, in: (i) [●] editions of [●], a widely circulated English national daily newspaper; (ii) [●] editions of [●], a Hindi national daily newspaper; and (iii) [●] editions of [●], a widely circulated Marathi national daily newspaper, Marathi also being the regional language of Maharashtra, where our Registered Office is located).

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.

The above information is given for the benefit of the Bidders/applicants. Our Company, the Selling Shareholders and the members of the Syndicate 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.

Allotment Advertisement

Our Company, the Managers and the Registrar to the Offer shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in: (i) [●] editions of [●], a widely circulated English national daily newspaper; (ii) [●] editions of [●], a Hindi national daily newspaper; and (iii) [●] editions of [●], a widely circulated Marathi national daily newspaper, Marathi being the regional language of Maharashtra, where our Registered Office is located).

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the Selling Shareholders and the Syndicate intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Offer Price but prior to the filing of Prospectus.

(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, 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:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders.
- 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 the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/ Offer Closing Date or such other period as may be prescribed;
- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and applicable law for the delayed period;
- it 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;
- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 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;
- No further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

Undertakings by the Selling Shareholders

The Selling Shareholders undertake that:

- the Equity Shares offered for sale by the Selling Shareholders are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations, are fully paid-up and are in dematerialised form;
- it 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;
- it is the legal and beneficial owner of, and has clear and marketable title to, the Equity Shares which are offered by it pursuant to the Offer for Sale; and
- it shall not have recourse to the proceeds of the Offer, which shall be held in escrow in its favour, until final approval for trading of the Equity Shares from the Stock Exchanges where listing is sought has been received.

Utilisation of Offer Proceeds

Our Company and the Selling Shareholders, severally and not jointly, specifically confirm 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.

Further, details of all utilised monies out of the Fresh Issue shall be disclosed, and continued to be disclosed till any part of the Offer proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised or invested.

Details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (*earlier known as Department of Industrial Policy and Promotion*) ("**DPIIT**"), issued the FDI Policy, which is effective from October 15, 2020, which subsumes and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular.

As per the FDI Policy, under the "Pharmaceuticals" sector, FDI of up to 100% foreign investment under the automatic route is currently permitted for greenfield investments. For brownfield investments, up to 74% is permissible under the automatic route and government approval route beyond 74%. For further details, see "*Key Regulations and Policies*" on page 203.

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 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 the SEBI/RBI. For further details of the aggregate limit for investments by NRIs and FPIs in our Company, see "*Offer Procedure – Bids by Eligible NRIs*" and "*Offer Procedure – Bids by FPIs*" on page 421 and 422, respectively.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer. For further details, see "*Offer Procedure*" on page 417.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Non-Debt Instruments Rules, 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 of India, as prescribed in the FDI Policy and the FEMA Non-Debt Instruments 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 of India. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made similar amendment to the FEMA Rules. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period.

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 U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) , pursuant to Section 4(a) of the U.S. Securities Act and (b) outside the United States in offshore transactions as defined in and in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where such offers and sales are made.

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 and the 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 – DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

The Articles of Association of the Company comprises of two parts, Part I and Part II, which parts shall, unless the contacts otherwise requires, co-exist with each other. In case of inconsistency between Part I and Part II, the provision of Part II shall prevail over Part I of these Articles, subject to applicable law. In case of inconsistency between the provisions of Part II and the provisions of shareholder's agreement dated 18th December, 2013 alongwith schedules as amended by the first amended shareholder agreement dated November 09, 2020 ("**Shareholders' Agreement**") which have been included in part II, the provisions of the Shareholders' Agreement shall be applicable. However, Part II shall automatically terminate and cease to have any force and effect from the date of listing of Equity Shares of the Company on a recognised Stock Exchange in India, pursuant to an initial public offering of the Equity Shares of the Company without any further action including any corporate action by the company or by the shareholders.

PART – I

1. CONSTITUTION OF THE COMPANY

a) *The regulations contained in table "F" of schedule I to the Companies Act, 2013 shall apply only in so far as the same are not provided for or are not inconsistent with these Articles.*

b) *The regulations for the management of the Company and for the observance of the shareholders thereof and their representatives shall be such as are contained in these Articles subject however to the exercise of the statutory powers of the Company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by special resolution as prescribed by the Companies Act, 2013.*

2. INTERPRETATION

A. DEFINITIONS

In the interpretation of these Articles the following words and expressions shall have the following meanings unless repugnant to the subject or context.

a. "**Act**" means the Companies Act, 2013 and all rules, notifications, circulars and clarifications issued thereunder and shall include all amendments, modifications and re-enactments of the foregoing.

b. "**Affiliate**" shall have the meaning ascribed to it in the Shareholders' Agreement.

c. **Article"** or **"Articles"** means these articles of association of the Company as originally framed or as altered from time to time or applied in pursuance of the Act.

d. "**ADRs**" shall mean American Depository Receipts representing ADSs.

e. **ADR Facility"** shall mean an ADR facility established/which may be established by the Company with a depository bank to hold any equity shares as established pursuant to a deposit agreement and subsequently as amended or replaced from time to time.

f. **"ADSs"** shall mean American Depository Shares, each of which represents a certain number of Equity Shares.

g. **"Board"** shall mean the Board of Directors of the Company, as constituted from time to time, in accordance with Law and the provisions of these Articles.

h. **"Capital" or "Share Capital"** shall mean the share capital, for the time being comprising the Equity Share Capital and preference share capital, as may be the case, raised or authorised to be raised by the Company in terms of these Articles, the Act and the Memorandum of Association of the Company.

i. **"Consummation of the IPO"** shall mean the receipt of final listing and trading approval from each of the stock exchanges for the listing and trading of the Equity Shares of the Company pursuant to the IPO.

j. **"Company"** means Emcure Pharmaceuticals Limited, a company incorporated under the laws of India and having its registered office at Emcure House, T-184 MIDC Bhosari, Pune 411026, India (which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and permitted assigns)

k. **"Depositories Act"** shall mean The Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof.

l. **"Depository"** shall mean a Depository as defined in Clause (e) of sub-section (1) of section 2 of the Depositories Act.

m. "**Equity Shares**" shall mean the issued, subscribed and fully paid-up equity shares of the Company;

n. **"GDRs"** shall mean the registered Global Depository Receipts, representing GDSs.

"GDSs" shall mean the Global Depository Shares, each of which represents a certain number of Equity Shares.

o. "**IPO**" means the initial public offering of the Equity Shares of the Company

p. **"Investor"** means BC Investments IV Limited, a limited company formed under the laws of Mauritius and having its registered office at c/o Bain Capital Mauritius, Suite 110, 10th Floor Ebene Heights Building, 34 Ebene Cybercity, Ebene, Republic of Mauritius, (which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and permitted assigns);

q. "**Memorandum**" shall mean the memorandum of association of the Company, as amended from time to time.

r. **"Member"** shall mean:

(i) the subscriber to the Memorandum of the Company who shall be deemed to have agreed to become member of the Company, and on its registration, shall be entered as member in its register of members;

(ii) every other person who agrees in writing to become a member of the Company and whose name is entered in the register of members of the Company;

(iii) every person holding shares of the Company and whose name is entered as a beneficial owner in the records of a depository

s. "**Person**" shall mean any natural person, sole proprietorship, partnership, Company, body corporate, governmental authority, joint venture, trust, association or other entity (whether registered or not and whether or not having separate legal personality).

t. "**Register of Members**" shall mean the register of members to be maintained as per the Act.

u. "**Seal" or "Common Seal**" shall mean the common seal(s) for the time being of the Company.

v. "**Securities**" shall have the meaning assigned to the term in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956, as may be amended from time to time.

w. **"Key Managerial Personnel"** – means (i) Managing director or Chief Executive Officer (CEO) or Manager, (ii) Company Secretary, (iii) whole time director, (iii) Chief Financial Officer (CFO); and (iv) such other officers as may be prescribed under the Act and the relevant Rules.

x. "**Ownership**" shall have the meaning ascribed to it in the Shareholders' Agreement.

3. EXPRESSIONS IN THE ACT AND THESE ARTICLES

Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

4. SHARE CAPITAL

(a) The authorised Share Capital of the Company shall be as stated under Clause V of the Memorandum of Association of the Company from time to time.

(b) The Share Capital of the Company may be classified into: (i) Equity Shares with voting rights; (ii) Equity shares with differential rights as to dividend, voting or otherwise in accordance with the applicable provisions of the Act, Rules, and Law, from time to time; and (iii) preference shares, convertible or non-convertible into Equity Shares, as permitted and in accordance with the applicable provisions of the Act and Law, from time to time.

(c) Subject to Article 4(b), all Equity Shares shall be of the same class and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including without limitation to identical rights and privileges with respect to dividends, voting rights, and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company.

(d) Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered, to the Company in the conduct of its business, and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be. However, the aforesaid shall be subject to the approval of members under the relevant provisions of the Act and Rules.

(e) Nothing herein contained shall prevent the Directors from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.

(f) Except so far as otherwise provided by the conditions of issue or by these presents, any Capital raised by the creation of new Equity Shares, shall be considered as part of the existing Capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

(g) Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any Equity Shares therein, shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is entered on the Register of Members shall for the purposes of these Articles be a Shareholder.

(h) The money, (if any), which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee, in the Register of Members as the name of the holder of such Equity Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

(i) The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

(j) Subject to the provisions of these Articles, the Company shall have the power, subject to and in accordance with the provisions of Section 54 of the Act and other relevant regulations in this regard from time to time, to issue sweat equity shares to its employees and/or Directors on such terms and conditions and in such manner as may be prescribed by Law from time to time.

5. PREFERENCE SHARES

Subject to the provisions of Section 55 and other applicable provisions of the Act and applicable Law, the Company shall have power to issue any Preference Shares, which are liable to be redeemed / convertible into securities on such terms and in such manner as the Company may determine before issue of such preference shares.

6. POWER TO ISSUE SECURITIES

The Company shall, subject to the applicable provisions of the Act and Rules and Regulation, have the power to issue debentures, preference shares, foreign currency convertible bonds, floating rate notes, options (including options to be approved by the Board (whether or not issued) pursuant to an employee stock option plan) or warrants or other securities or rights which are by their terms convertible or exchangeable into equity shares.

7. ADRS/GDRS

The Company shall, subject to the applicable provisions of the Act, compliance with all Law and the consent of the Board, have the power to issue ADRs or GDRs on such terms and in such manner as the Board deems fit including their conversion and repayment. Such terms may include at the discretion of the Board, limitations on voting by holders of ADRs or GDRs, including without limitation, exercise of voting rights in accordance with the directions of the Board.

8. ALTERATION OF SHARE CAPITAL

The Company shall power to alter its share capital in the manner permitted under the provisions of Section 61 of the Act.

9. REDUCTION OF SHARE CAPITAL

The Company may, subject to Section 66 and other applicable provisions of the Act, from time to time, reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorized by Law. This Article is not to derogate any power the Company would have under Law, if it were omitted.

10. POWER OF COMPANY TO PURCHASE ITS OWN SECURITIES

Pursuant to a resolution of the Board or the shareholders as the case may, the Company may purchase its own Equity Shares or other Securities, by way of a buy-back arrangement, in accordance with Sections 68, 69 and 70 of the Act, the Rules and regulations formulated by any statutory/regulatory authority as may be applicable from time to time.

11. VARIATION OF CLASS OF SHAREHOLDERS' RIGHTS

Where the Capital is divided (unless otherwise provided by the terms of issue of the shares of that class) into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Act and Law, and whether or not the Company is being wound up, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any Person purporting to contract on behalf of that class, provided the same is effected with consent in writing and by way of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class. Subject to Section 48(2) of the Act and Law, all provisions hereafter contained as to General Meetings (including the provisions relating to quorum at such meetings) shall mutatis mutandis apply to every such meeting.

12. REGISTERS TO BE MAINTAINED BY THE COMPANY

(a) The Company shall, in terms of the provisions of Section 88 of the Act and the provisions of the Depositories Act, 1996, cause to be kept the following registers in terms of the applicable provisions of the Act:

(i) A Register of Members indicating separately for each class of Equity Shares and preference shares held by each Shareholder residing in or outside India;

(ii) A register of Debenture holders; and

(iii) A register of any other security holders.

(b) The register(s) and index of beneficial owners maintained by a depository under the Depositories Act, 1996, as amended, shall be deemed to be the corresponding register(s) and index required under (a) above and the Act.

(c) The Company shall also be entitled to keep in any country outside India, a part of the registers referred above, called "foreign register" containing names and particulars of the Shareholders, Debenture holders or holders of other Securities or beneficial owners residing outside India.

13. SHARES AND SHARE CERTIFICATES

(a) Every member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a 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 of shares to one or several joint holders shall be a sufficient delivery to all such holders.

(b) The Company shall issue, re-issue and issue duplicate share certificates in accordance with the provisions of the Act and in the form and manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014.

(c) A duplicate certificate of shares may be issued, if such certificate:

i. is proved to have been lost or destroyed; or

ii. has been defaced, mutilated or torn and is surrendered to the Company.

(c) The Company shall be entitled to dematerialize its existing shares, rematerialize its shares held in the depository and/or to offer its fresh shares in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.

(d) A certificate, issued under the Common Seal, if any, of the Company and signed by two Directors or by a Director and the Company Secretary, specifying the shares held by any Person shall be *prima facie* evidence of the title of the Person to such shares. Where the shares are held in dematerialized form, the record of depository shall be the *prima facie* evidence of the interest of the beneficial owner.

(e) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof 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 deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Articles shall be issued without payment of fees if the Board / Committee of the Board so decide or on payment of such fees (not exceeding Rupees fifty for each certificate) as the Board shall prescribe. Provided that no fee shall be charged for issue of a new certificate in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Board shall comply with the applicable

provisions of the Act, rules or regulations or requirement of any Stock Exchange and rules made under the Securities Contracts (Regulation) Act, 1956, as amended or any other Act or rules applicable in this behalf.

(f) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

(g) The provisions of this Article shall mutatis mutandis apply to Debentures and other Securities of the Company.

(h) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine–numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may authorize for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.

14. SHARES AT THE DISPOSAL OF THE BOARD

(a) Subject to the provisions of Section 62 and other applicable provisions of the Act, and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased 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 person, in such proportion and on such terms and conditions and either at a premium or at par or at discount (subject to compliance with Section 53 and 54 of the Act) and at such time as they may from time to time think fit and with sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting. A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of right issue, preferential offer or private placement, subject to and in accordance with the Act, Rules and other applicable provisions of law.

(b) Every Shareholder, or his heir(s), Executor(s), or Administrator(s) shall pay to the Company, the portion of the Capital represented by his share or shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Articles require or fix for the payment thereof.

(c) The Company shall comply with the Companies (Share capital and Debentures) Rules 2014 in respect of issue, re –issue, sub – division, consolidation, renewal of share certificate, sealing and signing of certificates and the records to be maintained of certificates issued by the Company. The Company shall deliver the certificates of all securities as per Section 56 (4) of the Act.

15. Further Issue of Shares

1. Where at any time, it is proposed to increase the subscribed capital of the Company by allotment of further shares then :

   (a) Such further shares shall be offered to the persons who, at the date of the offer, are holders of the Equity Shares of the Company, in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer, subject to the following conditions, namely;-

(b) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days or such lesser number of days as may be prescribed and not exceeding thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;

(c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (b) shall contain a statement of this right;

(d) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the Company.

2. Notwithstanding anything contained in sub-clause (1), the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever:

(a) If a special resolution to that effect is passed by the Company in general meeting, or

(b) Where no such resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.

3. Nothing in sub-clause (c) of (1) hereof shall be deemed :

(a) To extend the time within which the offer should be accepted; or

(b) To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

4. Nothing in this Article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debentures issued or loans raised by the company:

(a) To convert such debentures or loans into shares in the Company ; or

(b) To subscribe for shares in the Company

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

(c) Either has been approved by the Central Government before the issue of debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf ; and

(d) In the case of debentures or loans or other than debentures issued to, or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by the special resolution passed by the Company in General Meeting before the issue of the loans.

16. UNDERWRITING AND BROKERAGE

(a) Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any shares or Debentures in the Company in accordance with the provisions of the Act, Companies (Prospectus and Allotment of

Securities) Rules, 2014 and regulations prescribed by SEBI for this purpose as amended from time to time.

(b) The Company may also, on any issue of shares or Debentures, pay such brokerage as may be lawful.

17. CALLS ON SHARES

(a) Subject to the provisions of Section 49 of the Act, the Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, (and not by circular resolution), make such call as it thinks fit upon the Shareholders in respect of all money unpaid on the shares held by them respectively and each Shareholder shall pay the amount of every call so made on him to the Person or Persons and Shareholders and at the times and places appointed by the Board. A call may be made payable by installments. Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in the General Meeting.

(b) Such days' notice in writing as permitted under the Act, at the least shall be given by the Company of every call (otherwise than on allotment) specifying the time and place of payment and if payable to any Person other than the Company, the name of the person to whom the call shall be paid, provided that before the time for payment of such call, the Board may by notice in writing to the Shareholders revoke the same.

(c) The Board may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call and thereupon the call shall be deemed to have been made on the date so determined and if no date is determined, the call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by the Shareholders whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board. A call may be revoked or postponed at the discretion of the Board.

(d) The joint holder of a share shall be jointly and severally liable to pay all instalments and calls due in respect thereof.

(e) The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Shareholders who, from residence at a distance or other cause the Board may deem fairly entitled to such extension; but no Shareholders shall be entitled to such extension save as a matter of grace and favour.

(f) If any Shareholder or allottee fails to pay the whole or any part of any call or installment, due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Shareholder.

(g) Any sum, which by the terms of issue of a share or otherwise, becomes payable on allotment or at any fixed date or by installments at a fixed time whether on account of the nominal value of the share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue or otherwise the same became payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.

(h) On the trial or hearing of any action or suit brought by the Company against any Shareholder or his legal representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Shareholder in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder, or one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares; that the resolution making the call is duly

recorded in the minute book, and that notice of such call was duly given to the Shareholder or his representatives so sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.

(i) Neither a judgment nor a decree in favour of the Company for calls or other money due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from time to time be due from any Shareholder to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

(j) The Board may, if it thinks fit (subject to the provisions of Section 50 of the Act) agree, to and receive from any Member willing to advance the same, the whole or any part of the moneys due upon the shares held by him beyond the sums actually called up, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the Member paying such sum in advance and the Board agree upon, provided that the 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.

(k) No Member shall be entitled to voting rights in respect of the money(ies) so paid by him until the same would but for such payment, become presently payable.

(l) The provisions of these Articles shall *mutatis mutandis* apply to the calls on Debentures of the Company.

18. COMPANY'S LIEN

(a) The Company shall have a first and paramount lien:

(i) on every share / debentures (not being a fully paid shares / debentures), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that share;

(ii) on all shares (not being fully paid shares) standing registered in the name of a single person (whether solely or jointly with others), for all money presently payable by him or his estate to the Company; and

(iii) on the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures.

(iv) Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the company's lien if any, on such shares/debentures.

Provided that the Board may, at any time, declare any shares wholly or in part to be exempt from the provisions of this Article.

(b) The fully paid up shares shall be free from all lien and in the case of partly paid up shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

(c) No equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and Company's lien, if any, on the shares, shall extend to all Dividends payable and bonuses declared from time to time in respect of such shares.

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:

(i) unless a sum in respect of which the lien exists is presently payable; or

(ii) until the expiration of 14 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.

(d) To give effect to any such sale, the Board may cause to be issued a duplicate certificate in respect of such shares and authorize some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

(e) The net proceeds of any such 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. 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.

(f) The provisions of this Article shall *mutatis mutandis* apply to the Debentures of the Company.

19. FORFEITURE OF SHARES

(a) If any Shareholder fails to pay any call or installment or any part thereof or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or installment or any part thereof or other money remain unpaid or a judgment or decree in respect thereof remain unsatisfied, give notice to him or his legal representatives requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

(b) The notice shall name a day, (not being less than 14 (fourteen) days from the date of the notice), and a place or places on or before which such call or installment or such part or other money as aforesaid and interest thereon, (at such rate as the Board shall determine and payable from the date on which such call or installment ought to have been paid), and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.

(c) If the requirements of any such notice as aforesaid are not be complied with, any share in respect of which such notice has been given, may at any time, thereafter before payment of all calls, installments, other money due in respect thereof, interest and expenses as required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture subject to the applicable provisions of the Act. There shall be no forfeiture of unclaimed Dividends before the claim becomes barred by Law.

(d) When any share shall have been so forfeited, notice of the forfeiture shall be given to the Shareholder on whose name it stood immediately prior to the forfeiture or if any of his legal representatives or to any of the Persons entitled to the shares by transmission, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

(e) Any share so forfeited shall be deemed to be the property of the Company and may be sold; re-allotted, or otherwise disposed of either to the original holder thereof or to any other Person upon such terms and in such manner as the Board shall think fit.

(f) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares. The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

(g) The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.

(h) A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles 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 shares.

(i) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some Person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

(j) Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall, (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Shareholder), stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

(k) The Board may, at any time, before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

20. TRANSFER AND TRANSMISSION OF SHARES

(a) The Company shall maintain a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any Share, Debenture or other Security held in a material form. The Company shall also use a common form of transfer.

(b) In accordance with Section 56 of the Act, the Rules and such other conditions as may be prescribed under Law, every instrument of transfer of shares held in physical form shall be in writing. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply. All provisions of Section 56 of the Act and statutory modifications thereof for the time being shall be duly complied with in respect of all transfer of shares and registrations thereof.

(c) (i) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act

(ii) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the transfer within 2 (two) weeks from the receipt of the notice.

(d) Every such instrument of transfer shall be executed by both, the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof.

(e) The Board shall have power on giving not less than 7 (seven) days previous notice by advertisement in a vernacular newspaper and in an English newspaper having wide circulation in

the city, town or village in which the Office of the Company is situated, and publishing the notice on the website as may be notified by the Central Government and on the website of the Company, to close the transfer books, the Register of Members and/or Register of Debenture-holders at such time or times and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in the aggregate 45 (forty-five) days in each year, as it may deem expedient.

(f) Subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may refuse, whether in pursuance of any power of the Company under these Articles or otherwise, to register the transfer of, or the transmission by operation of law of the right to, any securities or interest of a Member in the Company. The Company shall, within 30 (thirty) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal.

Provided that, registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

(g) Subject to the applicable provisions of the Act and these Articles, the Board shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transmission to any shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration, and shall not be bound to give any reason for such refusal and in particular may also decline in respect of shares upon which the Company has a lien.

(h) Subject to the provisions of these Articles, any transfer of shares in whatever lot should not be refused, though there would be no objection to the Company refusing to split a share certificate into several scripts of any small denominations or, to consider a proposal for transfer of shares comprised in a share certificate to several Shareholders, involving such splitting, if on the face of it such splitting/transfer appears to be unreasonable or without a genuine need. The Company should not, therefore, refuse transfer of shares in violation of the stock exchange listing requirements on the ground that the number of shares to be transferred is less than any specified number.

(i) In case of the death of any one or more Shareholders named in the Register of Members as the joint-holders of any shares, the survivors shall be the only Shareholder or Shareholders recognized by the Company as having any title to or interest in such shares, but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other Person.

(j) The Executors or Administrators or holder of the succession certificate or the legal representatives of a deceased Shareholder, (not being one of two or more joint-holders), shall be the only Shareholders recognized by the Company as having any title to the shares registered in the name of such Shareholder, and the Company shall not be bound to recognize such Executors or Administrators or holders of succession certificate or the legal representatives unless such Executors or Administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India, provided that the Board may in its absolute discretion dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board may in its absolute discretion deem fit and may under Article 22(a) of these Articles register the name of any Person who claims to be absolutely entitled to the shares standing in the name of a deceased Shareholder, as a Shareholder.

(k) The Board shall not knowingly issue or register a transfer of any share to a minor or insolvent or Person of unsound mind, except fully paid shares through a legal guardian.

(l) Subject to the provisions of Articles, any Person becoming entitled to shares in consequence of the death, lunacy, bankruptcy of any member or members, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board, (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks

sufficient, either be registered himself as the holder of the shares or elect to have some Person nominated by him and approved by the Board, registered as such holder; provided nevertheless, that if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.

(m) A Person becoming entitled to a share by reason of the death or insolvency of a member shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a member in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Directors shall, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the shares, and if such notice is not complied with within 90 (Ninety) days, the Directors may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the shares until the requirements of the notice have been complied with.

(n) Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the shares. Every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

(o) Where any instrument of transfer of shares has been received by the Company for registration and the transfer of such shares has not been registered by the Company for any reason whatsoever, the Company shall transfer the Dividends in relation to such shares to a special account unless the Company is authorized by the registered holder of such shares, in writing, to pay such Dividends to the transferee and will keep in abeyance any offer of right shares and/or bonus shares in relation to such shares.

In case of transfer and transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.

(p) No fee shall be charged by the Company in respect of the registration of transfer or transmission of shares, or for registration of any power of attorney, probate, letters of administration and succession certificate, certificate of death or marriage or other similar documents, sub division and/or consolidation of shares and debentures and sub-divisions of letters of allotment, renounceable letters of right and split, consolidation, renewal and genuine transfer receipts into denomination corresponding to the market unit of trading.

(q) The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof, (as shown or appearing in the Register of Members), to the prejudice of a Person or Persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.

(r) The Company shall not register the transfer of its securities in the name of the transferee(s) when the transferor(s) objects to the transfer.

Provided that the transferor serves on the Company, within sixty working days of raising the objection, a prohibitory order of a Court of competent jurisdiction.

Provided that any physical transfer shall be allowed by the Company, unless the same is permitted under the Act or rules made thereunder.

21. TERM OF ISSUE OF DEBENTURE

Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

22. DEMATERIALIZATION OF SECURITIES

(a) Dematerialization:

Notwithstanding anything contained in these Articles but subject to the provisions of Law, the Company shall be entitled to dematerialize its existing Securities, rematerialize its Securities held in the dematerialized form and/or to offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.

(b) Subject to the applicable provisions of the Act, instead of issuing or receiving certificates for the Securities, as the case maybe, the Company may exercise an option to issue, dematerialize, deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act as amended from time to time or any statutory modification thereto or re-enactment thereof.

(c) If a Person opts to hold his Securities in dematerialized form through a Depository, then notwithstanding anything to the contrary contained in these Articles the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.

(d) Securities in Depositories to be in fungible form:

All Securities held by a Depository shall be dematerialized and be held in fungible form. Nothing contained in Sections 88, 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

(e) Rights of Depositories & Beneficial Owners:

(i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner.

(ii) Save as otherwise provided in (i) above, the Depository as the Registered Owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

(iii) Every person holding shares of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a member of the Company.

(iv) The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository.

(f) Except as ordered by a court of competent jurisdiction or as may be required by Law required and subject to the applicable provisions of the Act, the Company shall be entitled to treat the person whose name appears on the Register as the holder of any share or whose name appears as the

Beneficial Owner of any share in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

(g) Transfer of Securities:

(i) Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities effected by transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

(ii) In the case of transfer or transmission of shares or other marketable Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.

(h) Allotment of Securities dealt with in a Depository:

Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant Securities thereof to the Depository immediately on allotment of such Securities.

(i) Certificate Number and other details of Securities in Depository:

All the provisions in the Act or these Articles regarding the necessity to have certificate number/distinctive numbers for Securities issued by the Company shall not apply to Securities held with a Depository.

(j) Provisions of Articles to apply to Shares held in Depository:

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act.

23. NOMINATION BY SECURITY HOLDERS

A holder of a security may appoint a nominee for his securities subject to the provisions of Section 72 of the Act and subject to the provisions of the Rules as may be prescribed in this regard.

24. NOMINATION IN CERTAIN OTHER CASES

Subject to the applicable provisions of the Act and these Articles, any person becoming entitled to Securities in consequence of the death, lunacy, bankruptcy or insolvency of any holder of Securities, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Securities or elect to have some Person nominated by him and approved by the Board registered as such holder; provided nevertheless that, if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Securities.

25. BORROWING POWERS

(a) Subject to the provisions of Section 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:

(i) accept or renew deposits from Shareholders;

(ii) borrow money by way of issuance of Debentures;

(iii) borrow money otherwise than on Debentures; and

(iv) generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

(b) Subject to the provisions of these Articles, the payment or repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution of the Board shall prescribe including by the issue of bonds, perpetual or redeemable Debentures or debenture–stock, or any mortgage, charge, hypothecation, pledge, lien or other security on the undertaking of the whole or any part of the property of the Company, both present and future. Provided however that the Board shall not, except with the consent of the Company by way of a Special Resolution in General Meeting mortgage, charge or otherwise encumber, the Company's uncalled Capital for the time being or any part thereof and Debentures and other Securities may be assignable free from any equities between the Company and the Person to whom the same may be issued.

(c) Any bonds, Debentures, debenture-stock or other Securities, may if permissible in Law, be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Provided that Debentures with rights to allotment of shares or conversion into shares shall not be issued except with, the sanction of the Company in a General Meeting accorded by a Special Resolution.

(d) Subject to the applicable provisions of the Act and these Articles, if any uncalled Capital of the Company is included in or charged by any mortgage or other security, the Board shall make calls on the members in respect of such uncalled Capital in trust for the Person in whose favour such mortgage or security is executed, or if permitted by the Act, may by instrument under seal authorize the Person in whose favour such mortgage or security is executed or any other Person in trust for him to make calls on the members in respect of such uncalled Capital and the provisions hereinafter contained in regard to calls shall *mutatis mutandis* apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally or either presently or contingently and either to the exclusion of the Board's power or otherwise and shall be assignable if expressed so to be.

(e) The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company; and shall cause the requirements of the relevant provisions of the Act in that behalf to be duly complied with within the time prescribed under the Act or such extensions thereof as may be permitted under the Act, as the case may be, so far as they are required to be complied with by the Board.

(f) Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board from time to time.

26. CONVERSION OF SHARES INTO STOCK AND RECONVERSION

(a) The Company in General Meeting may, by Ordinary Resolution, convert any Paid-up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interests, in the same manner and subject to the same regulations as those subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may, by an Ordinary Resolution, at any time reconvert any stock into Paid-up shares of any denomination. Provided that the Board may, from time to

time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal account from which the stock arose.

(b) The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose, but no such privileges or advantages, (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.

27. QUORUM FOR GENERAL MEETING

The quorum for the members' Meeting shall be in accordance with Section 103 of the Act . Subject to the provisions of Section 103(2) of the Act, if such a quorum is not present within half an hour from the time set for the Shareholders' Meeting, the Shareholders' Meeting shall be adjourned to the same time and place or to such other date and such other time and place as the Board may determine and the agenda for the adjourned Shareholders' Meeting shall remain the same. If at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

28. CHAIRMAN OF THE GENERAL MEETING

The Chairman of the Board shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board or if at any meeting he is not be present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the Chair, then the Directors present shall elect one of them as Chairman. If no Director is present or if all the Directors present decline to take the Chair, then the Members present shall elect, on a show of hands or on a poll if properly demanded, one of their member to be the Chairman of the meeting. No business shall be discussed at any General Meeting except the election of a Chairman while the Chair is vacant.

29. CHAIRMAN CAN ADJOURN THE GENERAL MEETING

The Chairman may, with the consent given in the meeting at which a quorum is present (and if so directed by the meeting) adjourn the General Meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situate but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

30. DIRECTORS

(a) Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (Fifteen), provided that the Company may appoint more than 15(Fifteen) directors after passing a special resolution in a General Meeting. The Investor and its Affiliates shall have the right to appoint one (1) Director ("**Investor Director**") on the board of directors of the Company. The Investor and its Affiliates shall have this right even post listing of the Equity Shares of the Company on a recognized stock exchange in India, subject to applicable law and receipt of approval of the shareholders of the Company by way of a special resolution, after the Consummation of the IPO, till the time the Investor together with its Affiliates continues to hold Ownership of 4%. The Investor Director shall be a Director whose office is not capable of being vacated by retirement or by rotation.

(b) The first Directors of the Company are**:**

1) Mr. Hiralal Ambalal Mehta
2) Mr. Ramanlal Ambalal Mehta
3) Mr. Satish Ramanlal Mehta
4) Mr. Rajanikant Hiralal Mehta
5) Mr. Popatlal B. Shah

31. CHAIRMAN OF THE BOARD OF DIRECTORS

(a) The members of the Board shall elect any one of them as the Chairman of the Board. The Chairman shall preside at all meetings of the Board and the General Meeting of the Company. The Chairman shall have a casting vote in the event of a tie.

(b) If for any reason the Chairman is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chairman, the members of the Board shall appoint any one of the remaining Directors as the Chairman.

32. APPOINTMENT OF ALTERNATE DIRECTORS

Subject to Section 161 of the Actany Director shall be entitled to nominate an alternate director to act for him during his absence for a period of not less than 3 (three) months from India. The Board may appoint such a person as an Alternate Director to act for a Director (hereinafter called "**the Original Director**") (subject to such person being acceptable to the Chairman) during the Original Director's absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of the office of the Original Director is determined before he so returns to India, any provisions in the Act or in these Articles for automatic re-appointment shall apply to the Original Director and not to the Alternate Director.

33. CASUAL VACANCY AND ADDITIONAL DIRECTORS

Subject to the applicable provisions of the Act and these Articles, the Board shall have the power at any time and from time to time to appoint any qualified Person to be a Director either as an addition to the Board or to fill a casual vacancy but so that the total number of Directors shall not at any time exceed the maximum number fixed under Article 27. Any Person so appointed as an additional Director shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company as a Director at that meeting subject to the applicable provisions of the Act.

34. DEBENTURE DIRECTORS

If it is provided by a trust deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any Person/lender or Persons/lenders shall have power to nominate a Director of the Company, then in the case of any and every such issue of Debentures, the Person/lender or Persons/lenders having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to a Debenture Director. A Debenture Director may be removed from office at any time by the Person/lender or Persons/lenders in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares. The trust deed may contain ancillary provisions as may be arranged between the Company and the trustees and all such provisions shall have effect notwithstanding any other provisions contained herein.

35. NOMINEE DIRECTORS

Whenever the Board enters into a contract with any lenders for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or enter into any other arrangement, the Board shall have, subject to the provisions of Section 152 of the Act the power to agree that such lenders shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the common loan agreement/ facility agreement. The nominee director representing lenders shall not be required to hold qualification shares. The Directors may also agree that any such Director, or Directors may be removed from time to time by the lenders entitled to appoint or nominate them and such lenders may appoint another or other or others in his or their place and also fill in any vacancy which may occur as a result of any such Director, or Directors ceasing to hold that office for any reason whatsoever. The nominee director shall hold office only so long as any monies remain owed by the Company to such

lenders.

36. REMUNERATION OF DIRECTORS

(a) Subject to the applicable provisions of the Act, a Director (other than a Managing Director or an executive Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act for each meeting of the Board or any Committee thereof attended by him.

(b) The sitting fees payable to each Director for every meeting of the Board or Committee of the Board attended by them shall be such sum as may be determined by the Board from time to time within the maximum limits prescribed from time to time by the Central Government pursuant to the first proviso to Section 197 of the Act.

(c) The Directors shall be paid such further remuneration (if any), as the Company in General Meeting shall from time to time determine, and such further remuneration shall be paid to or divided among the Directors or some or any of them in such proportion and manner as the Directors may from time to time determine;

37. SPECIAL REMUNERATION FOR EXTRA SERVICES RENDERED BY A DIRECTOR

Subject to the provisions of the Act and Law, if any Director is called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors), the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board. Such remuneration may either be in addition, to or in substitution for his remuneration otherwise provided, subject to the applicable provisions of the Act.

38. CONTINUING DIRECTORS

The continuing Directors may act notwithstanding any vacancy in their body, but if, and so long as their number is reduced below the minimum number fixed by Article 30 hereof, the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number, or for summoning a General Meeting, but for no other purpose.

39. VACATION OF OFFICE BY DIRECTOR

The office of a Director, shall *ipso facto* be vacated on the grounds as mentioned in Sections 167 of the Act.

40. MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S)/ EXECUTIVE DIRECTOR(S) / MANAGER

a) Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any of its members as Managing Director or Managing Directors and/or Whole time Director/s and/or Special Director like Technical Director, Financial Director etc. of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and the Board may by resolution vest in such Managing Director or Managing Directors / Whole-time Director(s), Technical Director(s) and Financial Director(s) such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such conditions and subject to such restrictions as it may determine.

b) The Managing Director shall not be liable to retire by rotation.

c) A Managing Director so appointed shall exercise the powers and authorities conferred upon him by an agreement entered into between him and the Company and/or by a Resolution of the Board and be subject to the obligations and restrictions imposed upon him thereby or by the Act.

d) Subject to the provisions of Section 197 of the Act, a Managing Director / Whole Time Director or Special Directors shall, in addition to any remuneration that might be payable to him as a

Director of the Company under these Articles, receive such additional remuneration as may from time to time be approved by the Board and Company. The remuneration of such Directors may be by way of monthly remuneration and/or Performance Bonus/Incentive and/or participation in profits or by any or all of those modes, or of any other mode not expressly prohibited by the Act. The payment of overall managerial remuneration shall not exceed the maximum limits prescribed under the Act. In case of absence or inadequate profits, the payment of the managerial remuneration shall be subject to necessary statutory approvals.

e) Subject to the provisions of the Act and in particular to the prohibitions and restrictions contained in Section 179 thereof, the Board may from time to time entrust to and confer upon the Managing Director or Managing Directors for the time being 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 restrictions as they think fit and they may confer such powers, either collaterally with or to the exclusion of, and 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.

41. POWER AND DUTIES OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

Subject to the superintendence, control and direction of the Board, the day-to-day management of the Company shall be in the hands of the Managing Director(s)/ whole time director(s) / executive director(s)/ manager in the manner as deemed fit by the Board and subject to the applicable provisions of the Act, and these Articles, the Board may by resolution vest any such Managing Director(s)/ whole time director(s) / executive director(s)/ manager with such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to the applicable provisions of the Act, and these Articles confer such power either collaterally with or to the exclusion of or in substitution for all or any of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

42. QUESTIONS AT THE BOARD MEETINGS HOW DECIDED

(a) Questions arising at any meeting of the Board, other than as specified in these Articles and the Act, if any, shall be decided by a majority vote. In the case of an equality of votes, the Chairman shall have a second or casting vote.

(b) No regulation made by the Company in General Meeting, shall invalidate any prior act of the Board, which would have been valid if that regulation had not been made.

43. ELECTION OF CHAIRMAN OF BOARD

(a) The Board may elect a chairman of its meeting and determine the period for which he is to hold office.

(b) If no such chairman is elected, or at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to be the chairman of the meeting.

44. POWERS OF THE BOARD

Subject to the applicable provisions of the Act, these Articles and other applicable provisions of Law: -

a) The Board shall be entitled to exercise all such power and to do all such acts and things as the Company is authorised to exercise and do under the applicable provisions of the Act or by the memorandum and articles of association of the Company.

b) The Board is vested with the entire management and control of the Company, including as regards any and all decisions and resolutions to be passed, for and on behalf of the Company.

c) The Board of Directors of the Company shall exercise certain powers as mentioned in the Section 179 of the Act only by resolutions passed at the meeting of the Board any other matter which may be prescribed under the Act and Companies (Meetings of Board and its Powers) Rules, 2014 and the SEBI Listing Regulations.

45. COMMITTEES AND DELEGATION BY THE BOARD

(a) The Company shall constitute such Committees as may be required under the Act, applicable provisions of Law and the SEBI Listing Regulations.

(b) Subject to the applicable provisions of the Act, the requirements of Law and these Articles, the Board may delegate any of its powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes. Every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

(c) The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Article.

46. ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING DEFECTS IN APPOINTMENT

All acts undertaken at any meeting of the Board or of a Committee of the Board, or by any person acting as a Director shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director . Provided that nothing in this Article shall be deemed to give validity to the acts undertaken by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

47. CHARGE OF UNCALLED CAPITAL

Where any uncalled capital of the Company is charged as security or other security is created on such uncalled capital, the Directors may authorize, subject to the applicable provisions of the Act and these Articles, making calls on the Members in respect of such uncalled capital in trust for the person in whose favour such charge is executed.

48. SUBSEQUENT ASSIGNS OF UNCALLED CAPITAL

Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charges and shall not be entitled to obtain priority over such prior charge.

49. CHARGE IN FAVOUR OF DIRECTOR FOR INDEMNITY

If the Director or any person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed, any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability.

50. KEY MANAGERIAL PERSONNEL

a) The Company shall have the following whole time Key Managerial Personnel: (a) Managing Director, or Chief Executive Officer, or Manager, and in their absence a whole-time director; (b) Company Secretary and (c) the Chief Financial Officer. Such individuals who shall be identified as whole time Key Managerial Personnel (whole time KMP). Every whole time KMP shall be appointed by means of a resolution of the Board containing the terms and conditions of the appointment including the remuneration. Any Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer so appointed may be removed by means of a resolution of the Board.

b) A whole time KMP shall not hold office in more than one company except in its subsidiary company at the same time. Provided that nothing contained herein shall disentitle a KMP from being a director of any company with the permission of the Board.

c) If the office of any whole time KMP is vacated the resulting vacancy shall be filled up by the Board at the Meeting of the Board within a period of six months from the date of such vacancy

51. THE COMPANY SECRETARY

Subject to the provisions of Section 203 of the Act, the Board may, from time to time, appoint any individual as Company Secretary of the Company to perform such functions, which by the Act or these Articles for the time being of the Company are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to him by the Board. The Board may also at any time appoint some individual (who need not be the Company Secretary) to maintain the Registers required to be kept by the Company.

52. SEAL

(a) The Board may provide a Common Seal for the purposes 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 Board shall provide for the safe custody of the Seal, if any, for the time being.

(b) The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board, and except in the presence of at least one (1) Director or of the Company Secretary or such other person as the Board or Committee of the Board may appoint for the purpose; and those one (1) Director and the Company Secretary or other person aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.

53. BOOKS OF ACCOUNTS

i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of Members not being Directors as per the provisions of the Act.

ii) No member (not being a Director) shall have any right of inspecting any accounts or books or documents of the Company except as conferred by law or authorised by the Board or by the Company in General Meeting.

54. SHAREHOLDERS TO NOTIFY ADDRESS IN INDIA

Each registered Shareholder from time to time shall notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

55. SERVICE ON MEMBERS HAVING NO REGISTERED ADDRESS

If a Members who does not have registered address in India, has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper

circulating in the neighbourhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.

56. SERVICE ON PERSONS ACQUIRING SHARES ON DEATH OR INSOLVENCY OF MEMBERS

A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a Members by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

57. NOTICE BY ADVERTISEMENT

Subject to the applicable provisions of the Act, any document required to be served or sent by the Company on or to the Members, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Office is situated.

58. DIVIDEND AND RESERVE

(a) The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

(b) Subject to the provisions of section 123, 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.

(c) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.

(d) The Board may also carry forward any profits which it may consider necessary not to distribute, without setting them aside as a reserve.

(e) (i)Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

(ii)No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(iii)All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

(f) 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.

(g) *(i)* Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder

or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

(h) Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

(i) Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

(j) No dividend shall bear interest against the company.

(k) Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "_____Unpaid Dividend Account"

(l) Any money transferred to the unpaid dividend account of a Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Fund known as Investor Education and Protection Fund established under section 125 of the Act and the Company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said fund and that authority shall issue a receipt to the Company as evidence of such transfer.

(m) All shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more shall be transferred by the Company in the name of the Investors Education and Protection Fund subject to the provisions of the Act and Rules.

(n) No unclaimed or unpaid dividend shall be forfeited by the Board.

59. CAPITALISATION OF PROFITS

Subject to the provisions of Section 63 of the Act and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended, the Company in its General Meeting may resolve to issue the bonus shares to its Members and capitalize its profit or free reserves for the purpose of issuing fully paid up bonus shares.

60. WINDING UP

Subject to the applicable provisions of the Act and the Rules made thereunder–

(a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

61. DIRECTOR'S AND OTHER'S RIGHTS TO INDEMNITY

Subject to the provisions of Section 197 of the Act, every Director, Manager and other officer or employee of the Company shall be indemnified by the Company against any liability incurred by him

and the company shall pay out its funds all costs, losses and expenses which any director, Manager, officer or employee may incur or become liable to by reason of any contract entered into by him on behalf of the Company or in any way in the discharge of his duties and in particular, and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Manager, Officer or employee in defending any proceedings Whether civil or criminal in which judgement is given in his favour or he is acquitted or in connection with any application under Section 463 of the Act in which relief is granted by the court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the shareholders over all the claims.

62. DIRECTOR'S ETC. NOT LIABLE FOR CERTAIN ACTS

Subject to the provision of Section 197 of the Act, no Director, Manager, Officer or Employee of the Company shall be liable for the acts, defaults, receipts and neglects of any other Director, Manager, Officer or employee or for joining in any receipts or other acts for the sake of conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any monies, securities or effects shall be deposited or for any loss occasioned by an error of judgement or oversight on his part, or for any other loss, damage or misfortune whatsoever which shall happen in the execution thereof unless the same shall happen through negligence, default, misfeasance, breach of duty or breach of trust. Without prejudice to the generality of the foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with the Registrar of Companies in respect of any act done or required to be done by any Director or other officer by reason of his holding the said office shall be paid and borne by the Company.

63. INSPECTION BY MEMBERS

The register of charges, register of investments, register of members, books of accounts and the minutes of the meeting of the board and members shall be kept at the office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each Business Day as the board determines for inspection of any shareholder without charge. In the event such shareholder conducting inspection of the abovementioned documents requires extracts of the same, the Company may charge a fee which shall not exceed Rupees ten per page or such other limit as may be prescribed under the Act or other applicable provisions of law.

64. AMENDMENT TO ARTICLES OF ASSOCIATION

(a) The Members shall not pass any resolution or take any decision which is contrary to any of the terms of these Articles.

(b) The Company, may from time to time alter, add to amend or delete any of the existing Articles or may add a new Article thereto or adopt a new set in accordance with the provisions of the Act.

65. SECRECY

a) No shareholder shall be entitled to inspect the Company's work without permission of the managing Director/Directors or to require discovery of any information respectively any details of Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the managing Director/Directors will be inexpedient in the interest of the shareholders of the Company to communicate to the public.

b) Every Director, managing Directors, manager, Secretary, Auditor, Trustee, members of the committee, officer, servant, agent, accountant or other persons employed in the business of the Company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the Company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or the Auditors, or by

resolution of the Company in the general meeting or by a court of law and except so far as may be necessary in order to comply with any of the provision of these Articles or Law.

66. GENERAL POWER

Wherever in the Companies Act, it has been provided that the Company shall have 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 regulation hereto authorises and empowers the Company to have such rights, privilege or authority and to carry such transactions as have been permitted by the Act, without there being any specific regulation in that behalf herein provided.

PART II

The Articles of Association of the Company comprise of two parts, Part I and Part II, which parts shall, unless the context otherwise requires, co-exist with each other until the commencement of the listing of equity shares of the Company pursuant to the initial public offering of the equity shares of the Company (the "**Offer**" of the "**Equity Shares**" of the Company). In the event of any inconsistency, conflict or overlap between Part I and Part II of these Articles, the provisions of Part II of these Articles shall prevail over Part I of these Articles, subject to applicable law. Part II of these Articles shall automatically terminate and cease to have any force and effect and deemed to fall away on and from the date of listing of the Equity Shares on a stock exchange in India, pursuant to the Offer.

1. PRELIMINARY

Subject to the requirements of applicable law, in the event of any conflict between the provisions of any of the Articles in PART II on the one hand and the provisions of any of the Articles in PART I on the other hand, the provisions of the Articles in PART II shall prevail and shall have an overriding effect over the conflicting provisions of PART I.

2. DEFINITIONS AND INTERPRETATION

"**Act**" means the Companies Act 2013, as may be applicable, as may be amended or supplemented from time to time, and any rules, regulations, notifications and clarifications made thereunder by a Governmental Authority;

"**At Risk Launch**" means the manufacturing, marketing, distribution, sale or import of, or offer to sell, any products by or for the Company or any of its Subsidiaries in the United States of America or the European Union that has been, is or could reasonably be expected to be subject to any pending or threatened patent infringement claim prior to the earlier of (A) a final non-appealable judgment by a court of competent jurisdiction that declares the invalidity or unenforceability of all patents relating to any such products, or the non-infringement of all such patents, or (B) all such patents having expired or (C) the settlement of a suit or any other proceedings pertaining to such patent infringement claim in which the Company or any of its Subsidiaries is a party;

"**Affiliate**" of a Person (the "**Subject Person**") means (i) in the case of any Subject Person other than a natural Person, any other Person that, either directly or indirectly through one or more intermediate Persons, Controls, is Controlled by or is under common Control with the Subject Person, and (ii) in the case of any Subject Person that is a natural Person, any other Person that, either directly or indirectly, is Controlled by the Subject Person or that is a Relative or Family Trust of the Subject Person. As regards the Investor, an "Affiliate" of the Investor shall also include (a) funds managed or advised by Bain Capital Partners, LLC and entities Controlled by or under common Control with Bain Capital Partners, LLC, and (b) other Persons that are Controlled, either directly or indirectly, by funds referred to in (a) above;

"**Anti-corruption Laws**" means Laws relating to anti-bribery, anti-corruption, anti-money laundering, recordkeeping and internal controls which apply to the business and dealings of (i) the Company, (ii) its Subsidiaries, and (iii) any Company Representatives, including, without limitation, laws that prohibit the payment, offer, promise, or authorization of the payment or

transfer of anything of value (including gifts or entertainment), directly or indirectly, to any Government Official or any other Person covered by such laws to obtain a business advantage, such as, without limitation, (a) the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "FCPA"), (b) the UK Bribery Act of 2010 (the "Bribery Act"), (c) all national and international laws enacted to implement the Convention on Combating Bribery of Foreign Officials in International Business Transactions adopted by the Organization for Economic Co-operation and Development on November 21, 1997, and (d) the Indian Prevention of Corruption Act, 1988 and Prevention of Anti Money Laundering Act, 2005 and the rules issued thereunder, and applicable provisions of the Indian Penal Code, 1860, etc.;

"**Anti-Corruption Policy**" shall have the meaning ascribed to the term under the Transaction Agreement dated December 18, 2013 entered into between the Company and the Investor;

"**Avet**" means Avet Lifesciences Limited, a public limited company established under the laws of India, having its registered office T-184 MIDC Bhosari, Pune 411026;

"**Board**" means the board of directors of the Company as constituted from time to time;

"**Business**" means manufacturing, sales and marketing of pharmaceuticals, neutraceuticals and biotech products in domestic and international markets, contract manufacturing for finished formulations and active pharmaceutical ingredients ("**API**") for domestic and international markets and research and development of API, pharmaceutical formulations and biotech products;

"**Business Day**" means any day other than a Saturday, Sunday or any day on which banks in New York City, the State of Maharashtra in India or Mauritius are permitted to be closed;

"**Company Competitor**" means (i) any company incorporated in India which is engaged in the Business or any part thereof provided that the consolidated revenues of such company from the Business or part thereof are in excess of 50% of the aggregate consolidated revenues from all the businesses of such Company determined, in each case, based on the audited financial statements relating to the financial year immediately preceding the financial year in hich such determination is made; (ii) any of the entities identified below and (iii) Affiliates of (i) or (ii) above. Notwithstanding the above, a Financial Investor shall not be considered as a "Company Competitor" under any circumstances:

1) Teva group of companies
2) Sandoz group of companies
3) Mylan group of companies
4) Actavis (Watson) group of companies
5) Sagent group of companies
6) GSK group of companies
7) Roche group of companies
8) Pfizer group of companies
9) Sanofi group of companies
10) Novartis group of companies
11) Merck group of companies
12) Takeda group of companies
13) Astellas group of companies
14) Sinopharm group of companies
15) Hospira group of companies;

"**Company Stock Option Plan**" means the Emcure Employee Stock Option Plan 2013 approved by the Board on June 5, 2013 and by the shareholders of the Company on June 14, 2013, which permits grants of stock options to employees of the Company, not exceeding 5% of the Share Capital;

"Consent" means any notice, consent, approval, authorization, waiver, permit, grant, concession, agreement, license, certificate, exemption, order or registration, of, with or to any Person;

"**Consummation of the IPO**" shall mean the receipt of final listing and trading approval from each of the Stock Exchanges for the listing and trading of the Equity Shares of the Company pursuant to the IPO;

"**Deed of Adherence**" shall be the deed of adherence as set forth in Schedule 2 to the Shareholders' Agreement;

"EBITDA" means the earnings of the Company and its Subsidiaries (calculated on a consolidated basis) before interest, income tax, depreciation and amortization, calculated for the immediately preceding 12-month period, based on the most recent quarterly or annual, as the case may be, financial statements approved by the Board and excluding extraordinary items;

"**Emcure USA**" shall mean Emcure Pharmaceuticals USA, Inc. having its registered offices at 21/B Cotters Lane, East Brunswick, NJ 08816;

"**Effective Date**" shall have the meaning assigned to such term under the Shareholders' Agreement;

"**Effective Date 1**" shall have the meaning assigned to such term under the Shareholders' Agreement;

"**Effective Date 2**" shall have the meaning assigned to such term under the Shareholders' Agreement;

"Encumbrance" means (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any Person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under applicable law, and (ii) any voting agreement, irrevocable proxy, irrevocable, unconditional power of attorney for an indefinite period of time (other than as contemplated in this Agreement), interest, option, right of first offer, refusal or transfer restriction in favour of any Person;

"Equity Share(s)" means the equity share(s) of the Company having a par value of Rs 10 per share and one vote per share;

"**Equity Securities**" means, with respect to any Person, such Person's equity capital, membership interests, partnership interests, registered capital, joint venture or other ownership interests (including in the case of the Company, Equity Shares) or any options, warrants, convertible preference shares, loans or other securities that are directly or indirectly convertible into, or exercisable or exchangeable for, such equity capital, membership interests, partnership interests, registered capital, joint venture or other ownership interests (whether or not such derivative securities are issued by such Person and whether or not then currently convertible, exercisable or exchangeable);

"**Family Trust**" means, with respect to any natural person, any trust which at all times is and remains primarily for the benefit of such individual or such individual's Immediate Relatives;

"**Financial Investor**" means a bank, a financial institution which is in the business of investing as its primary business, a private equity/ venture capital fund, mutual fund, a hedge fund, a fund of funds, a secondary fund, a sovereign fund, a professionally managed investment entity or any other similar entity which is in the business of investing as its primary business, and/or any special purpose vehicles set up by it and which is controlled by it. The term "control" for purposes of this definition means the power to direct the management or policies of a Person, whether through the ownership of over fifty percent (50%) of the voting power of such Person, through the power to appoint over half of the members of the board of directors or similar governing body of such Person, through contractual arrangements or otherwise;

"**Financial Year**" means the financial year of the Company, which begins on April 1st of a calendar year and ends on 31st March of the next calendar year;

"Governmental Authority" means any nation or government or any province, state or any other political subdivision thereof; any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of any jurisdiction or any political sub-division of such jurisdiction; any court, tribunal or arbitrator and any securities exchange or body or authority regulating such securities exchange.

"**Governmental Approval**" means any Consent of or with any Governmental Authority;

"Government Official" means any official, officer, candidate for office, employee, or representative of, or any Person acting in an official capacity for or on behalf of, any Governmental Authority

"Guarantee" of or by any Person (the "**guarantor**") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "**primary obligor**") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business;

"**Heritage Holdings**" shall mean Heritage Pharma Holdings, Inc. having its registered office at 12 Christopher Way, Suite 300, Eatontown, NJ 07724;

"**Heritage Pharmaceuticals**" shall mean Heritage Pharmaceuticals Inc. having its registered office at 12 Christopher Way, Suite 300, Eatontown, NJ 07724;

"Immediate Relatives" of a natural person shall mean, (i) such person's spouse; (ii) such person's lineal descendants; (iii) such person's lineal ascendants; and (iv) such person's siblings;

"Identified Promoters" shall mean Mr. Satish Mehta, Ms. Namita Thapar, Mr. Samit Mehta, Ms. Bhavna Mehta and Mr. Vikas Thapar;

"Indebtedness" of any Person means, without duplication, (a) all 'obligations of such Person for borrowed money or with respect to deposits or advances of any kind, **(b)** all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person upon which interest charges are customarily paid, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding current accounts payable incurred in the ordinary course of business), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any lien or encumbrance on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (g) all Guarantees by such Person of Indebtedness of others, (h) all capital lease obligations of such Person, (i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty and (j**)** all obligations, contingent or otherwise, of such Person in

respect of bankers' acceptances. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor;

"Independent Director" means a Director who would be considered to be an 'independent director' of the Company as per the Act and the listing agreement of the Stock Exchanges and as prescribed by the Securities Exchange Board of India from time to time;

"**Investment Amount**" shall have the meaning ascribed to it in the Shareholders' Agreement;

"Investor" means BC Investments IV Limited, a limited company formed under the laws of Mauritius and having its registered office at c/o Bain Capital Mauritius, Suite 110, 10th Floor Ebene Heights Building, 34 Ebene Cybercity, Ebene, Republic of Mauritius, (which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and permitted assigns);

"**IPO**" means an offer for sale or issue of Equity Securities of the Company which results in the listing of the Equity Shares on the Stock Exchange;

"**Law**" means all applicable provisions of all (a) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, ordinances or orders of any Governmental Authority, (b) Governmental Approvals and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Governmental Authority;

"Liability" means any liabilities or obligations in any form (whether actual or contingent) of the Company or its Subsidiaries;

"**Long Stop Date**" means shall have the meaning assigned to such term under the Shareholders' Agreement;

"Material Subsidiaries" means any Subsidiary of the Company incorporated in or registered to conduct business in the United States and/ or in the European Union which has revenues in excess of US$ 50 million (other than from sales made to Avet, or to the Company or to any other Subsidiary(ies) of the Company and/ or Avet) as per the audited financial statements of such Subsidiary relating to the financial year immediately preceding the financial year in which such determination is made;"

"**NCLT**" means the National Company Law Tribunal, Mumbai Bench;

"Net Indebtedness" of any Person means Indebtedness of such Person and its Subsidiaries (calculated on a consolidated basis) less cash and liquid investments that (i) are not required for operating the business; and (ii) can be immediately converted into cash at publicly quoted prices of such Person and its Subsidiaries (calculated on a consolidated basis);

"Other Promoters" means the Promoters other than the Identified Promoters; "Ownership" at any time means ownership of the Equity Shares on a fully diluted basis;

"**Parties**" means the Company, the Promoters and the Investor, and **"Party"** means any of them;

"Patent Challenge" means the challenge of, or filing, submission or provision of any certification, notice or other documentation regarding, the scope, validity or enforceability of any United States patent owned by any other Person, by the filing of any Abbreviated New Drug Applications or New Drug Applications pursuant to 21 U.S.C. § 355, which includes a certification pursuant to 21 U.S.C. § 355(j)(2)(A)(vii)(IV) or 21 U.S.C. § 355(b)(2)(A)(iv) or a statement pursuant to 21

U.S.C. § 355(j)(2)(A)(viii), and the provision of notice to any Person in connection with any of the foregoing;

"**Person**" means any natural person, firm, company, Governmental Authority, joint venture, partnership, association or other entity (whether or not having separate legal personality);

"Plan Asset Regulations" means the United States Department of Labor Regulation published at 29 C.F.R Section 2510.3-101;

"**Promoters**" means the Persons mentioned in Exhibit A of the Shareholders' Agreement (which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and permitted assigns) and Promoter shall mean any of them individually;

"**Pro Rata Share**" means, with respect to any Shareholder, the proportion that the number of Equity Securities of the Company held by such Shareholder bears to the aggregate number of Equity Securities of the Company held by all shareholders, in each case on a fully diluted basis;

"Promoter Secondary IPO" means an **IPO** where, (i) the Company is not offering any Equity Securities by way of a fresh issuance; and (ii) the aggregate valuation of the Sale Shares (assuming the Investor and its Affiliates have not Transferred such Equity Securities) based on the lowest price of the price band of such IPO is not less than the Investment Amount;

"Purchase Agreements" mean collectively the Share Purchase Agreement and the Transaction Agreement;

"Related Party" means a related party as defined under the Act and shall also include the Promoters, their respective Immediate Relatives and entities controlled by any of the foregoing Persons. The term "control" for purposes of this definition means the power to direct the management or policies of a Person, whether through the ownership of over fifty percent (50%) of the voting power of such Person, through the power to appoint over half of the members of the board of directors or similar governing body of such Person, through contractual arrangements or otherwise. For the purposes of this Agreement, transactions between (i) the Company and any of its Subsidiaries (ii) the Subsidiaries of the Company *inter se* (iii) the Company/ any of its Subsidiaries and directors, officers or employees of the Company/ its Subsidiary in terms of which the Company/the 'relevant Subsidiary is to compensate such Person for services provided to the Company in that capacity (provided that such compensation to non-executive directors is restricted to sitting fees), shall not be considered as transactions between Related Parties and (iv) entities where a non-whole time Director, other than a Promoter who is also a Director and his or her Immediate Relatives, of the Company, including its Subsidiaries, is either a director/partner of such entities or owns more than 2% of the paid-up share capital of such entities, shall not be considered as transactions between Related Parties;

"Relative" means a relative as defined under the Act;

"**Scheme**" means the composite scheme of arrangement between the Company and Avet and their respective shareholders, involving the transfer of the Demerged Undertaking (as defined in the Scheme) of the Company to Avet, as a going concern and the reduction of equity share capital held by the Identified Shareholders (as defined in the Scheme) in Avet, proposed to be filed with NCLT pursuant to the provisions of Sections 230-232 of the Act.

"Security Holder" shall with respect to the Company and each of its Subsidiaries, means (as the case may be) any member, shareholder, partner or other holder 'of debt or equity securities (in such Person's capacity as such) issued by the Company or such Subsidiary;

"**Shareholder(s)**" means the Investor, the Promoters and any Person who becomes a shareholder of the Company in accordance with the terms of the Shareholders' Agreement and executes a Deed of Adherence, in each case for so long as such Person remains a shareholder of the Company, and shall be deemed to include the estate of any Shareholder that is a natural Person and the executor, conservator, committee or other similar legal representative of any Shareholder that is a natural Person or such Shareholder's estate following the death or incapacitation of such Shareholder;

"**Shareholders' Agreement**" means the agreement dated December 18, 2013 executed between the Shareholders and the Company relating to matters governing the management and affairs and transfer of the shares of the Company and other allied matters as more particularly set forth therein, as amended by the amendment agreement dated 9th November, 2020 and the amendment agreement dated July 27, 2021;

"**Subsidiary**" means a subsidiary of the Company as defined under the Act;

"**Third Party**" means any Person other than the Investor, the Promoters or their respective Affiliates;

"**Transfer**" means to sell, give, assign, transfer, transfer any interest in trust, mortgage, alienate, hypothecate, pledge, encumber, grant a security interest in, amalgamate, merge or otherwise Encumber, any Equity Securities of the Company or any right, title or interest therein or otherwise dispose of in any manner whatsoever voluntarily or involuntarily, but shall not include transfer by way of testamentary or intestate successions.

3. "COVENANTS OF THE COMPANY"

a) Financial Records. The Company shall allow the Investor and its authorised representatives the right during normal business hours to inspect its books and accounting records and those of the Subsidiaries, to make extracts and copies therefrom at its own expense and to have full access to all of the Company's and each Subsidiary's property and assets.

b) Reports. The Company shall provide to the Investor (i) within three months after the end of each Financial Year, the annual audited consolidated financial statements of the Company for such Financial Year, (ii) within 35 Business Days after the end of each quarter, quarterly unaudited consolidated financial statements of the Company for such quarter, (iii) within 20 Business Days after the end of each month, a management report prepared by the chief executive officer and the chief financial officer in the form to be mutually agreed between the Company and the Investor; and (iv) such other reports as the Board may determine. The Company shall furnish to the Investor such financial and other information relating to the business of the Company and its Subsidiaries as it may reasonably require. Within 30 (thirty) Business Days of the approval of the annual budget of the Company by the Board, the Company shall provide a copy of such approved annual budget, along with supporting details, to the Investor.

c) Breach and Litigation Notice. The Company shall give the Investor all material information in relation to: any breach by the Company or any Subsidiary of any Law, which violation in any respect may have or had a material adverse effect on the Company and/or any Subsidiary;

i. any known litigation, or claim which may have or had a material adverse effect on the Company and/or the Subsidiaries;

ii. any material dispute or notice of any material dispute with a major customer or supplier of the Company and /or any Subsidiary.

d) Access Rights. (i) The Company shall give reasonable access to the Investor and their authorized representatives (including lawyers, accountants, auditors

and other professional advisors) to visit and inspect all properties, assets, corporate, financial and other records, reports, books, contracts and commitments of the Company and/or any Subsidiary, and to discuss and consult with respect to its business, actions plans, budgets and finances with the directors and executive officers of the 'Management Committee' of the Company, upon reasonable notice. All costs incurred in connection with such inspection shall be borne by the Investor and (ii) to the extent consistent with applicable Law (and with respect to events which require public disclosure, only following the Company's public disclosure thereof through applicable securities law filings or otherwise), the Company shall inform the Investor or its designated representative in advance with respect to any significant corporate actions and shall provide the Investor or its designated representative with the right to consult with the Company and its Subsidiaries with respect to such actions

e) Insurance. The Company shall, and shall ensure that each Subsidiary shall, keep insured at all times and maintain insurance policies in a sufficient amount and with such coverage as are generally maintained by responsible companies in the same industry. Such policies shall be sufficient to cover liabilities in relation to product liabilities, environmental liabilities, fire, acts of God that the facilities of the Company could be subject to and such other which the Company and the Subsidiaries may, in the reasonable opinion of the Company and the Investor, be considered at risk of in the course of their respective businesses. The Company shall take out directors and officers insurance for all directors on the board of directors of the Company and the Material Subsidiaries including the nominee of the Investor in a sufficient amount and with such coverage as is generally maintained by responsible companies in the same industry. In case a director nominated by the Investor is appointed on the board of directors of a Material Subsidiary in accordance with Article 8 (c), the Company shall obtain appropriate directors and officers insurance for such director.

f) Material Subsidiaries. The Parties agree that the business conducted by the Company and its Material Subsidiaries is critical for the Company's financial performance and results. In this regard, the Company agrees that it shall, on a best efforts basis, review the strategy and performance of the Material Subsidiaries twice in each Financial Year.

g) At Risk and Patent Challenge. The Company agrees that the Board shall discuss and deliberate the desirability of At Risk Launch or Patent Challenge reasonably prior to the Company or any Subsidiary undertaking such At Risk Launch or Patent Challenge, not being less than 3 (three) days prior to such product launch. The Company shall ensure that all relevant details/ information with respect to the At Risk Launch or Patent Challenge and the relevant product(s) are/is circulated to all the Directors reasonably prior to a meeting of the Board to discuss such product launch.

h) Ethical Business Practices. The Company, any Subsidiary and their respective officers, directors, employees and agents shall engage only in legitimate business and ethical practices in commercial operations and in relation to Governmental Authorities. The Company further agrees that:

i. neither it, nor any of its Subsidiaries nor any Company Representative, shall provide, offer, gift or promise, directly or indirectly, anything of value to any Governmental Authority or Government Official that would result in a breach of any Anti-Corruption Law.

ii. that no Government Official will serve in any capacity within the Company or any subsidiary thereof, including as a board member, employee, or consultant.

iii. it and all its Subsidiaries shall maintain complete and accurate books and records, including records of payments to agents, consultants, representatives, third parties and Government Officials, in accordance with applicable Anti-Corruption Laws and generally accepted accounting principles and international financial reporting standards.

iv. it shall allow the Investor and its Affiliates (or their designees) to review the books and records of itself and its Subsidiaries upon credible allegations of misconduct or reasonable suspicion of improper payments.

v. the Company agrees to cooperate with any audit or investigation by the Investor or its Affiliates and provide all reasonable information and assistance requested upon an investigation or inquiry by a Governmental Authority directed to the Company or Security Holder in the Company.

The Company and its Subsidiaries shall conduct their respective business in compliance with applicable Laws and the Anti-Corruption Policy.

For the purposes of this Article 3(h) the term "Governmental Authority" shall mean any nation or government or any province, state or any other political subdivision thereof; entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of any jurisdiction or any political sub-division of such jurisdiction; any court, tribunal or arbitrator and any securities exchange or body or authority regulating such securities exchange or any international or multilateral financial institutions such as the World Bank, and the International Finance Corporation.

i) Risk Management Policy. The Board shall adopt a risk management policy for the Company and its Subsidiaries which shall inter alia provide for:

i. The manner of effecting any At Risk Launch or any Patent Challenge by the Company or any Subsidiary;

ii. Entering into by the Company or any Subsidiary into any foreign exchange derivative arrangements/ hedging contracts; and

iii. Such other matters as may be identified by the Board.

j) Most Favourable Rights. The Company and the Promoters shall not issue any Equity Securities of the Company or enter into an agreement to issue Equity Securities of the Company, enter into any management agreement or shareholder agreement or any other agreements with any Person, which agreement confers on such Person rights which, considered individually, are more favourable than rights considered individually granted herein to the Investor. In the event the Company and/or the Promoters confer on such Person such rights which, when so considered, are more favourable than rights granted herein to the Investor, notwithstanding anything in this Agreement or the Charter Documents, the rights of the Investor as provided for in this Agreement and the Charter Documents shall be modified and amended in accordance with the rights granted to such Person to confer on the Investor rights at least as favourable as though conferred on such Person as of the Effective Date. The Company and the Promoters shall take all necessary steps to amend the Charter Documents to give effect to such modification of rights of the Investor.

k) U.S. Taxes:

i. Reporting. The Company shall provide to the Investor such information as the Investor may reasonably request at any time or from time to time in order to permit such Shareholder (i) to determine whether the Company has been a "passive foreign investment company" or a "controlled foreign corporation" or a corporation having a similar status for purposes of the Code, (ii) to determine the consequences to the Investor of such status, and (iii) all such other information that is reasonably necessary for the Investor, or any direct or indirect investor of the Investor, to duly complete and file its income tax returns or may be reasonably necessary in connection with any tax audit or dispute. In addition, at the request of the Investor, the Company shall cooperate with such Investor in making and maintaining, or permitting the Investor (or direct or indirect investor in the Investor) to make and maintain, any election permitted under the Code;

ii. Tax Election. The Company agrees not to make any election to be treated as anything other than a corporation for United States federal income tax purposes without the prior consent of the Investors;

iii. PFIC. The Company shall use its reasonable efforts to conduct its activities in a manner that minimizes the likelihood of the Company being considered a "passive foreign investment company" as defined in the Code;

iv. Treaty. The Company shall use its reasonable efforts to conduct its activities in a manner that makes it possible for the Company to benefit from the provisions of any tax treaty between India and the United States of America. Each Shareholder shall cooperate with the other Shareholders and the Company to determine if the Company is, from time to time, entitled to the benefits of any tax treaty between India and the United States of America.

l) VCOC Investor

i. The Company agrees that for so long as the Investor or any of its Affiliates, is intended to qualify as a "venture capital operating company' (each such Investor or Affiliate, a "**VCOC Investor**"), as defined in the Plan Asset Regulations, and such VCOC Investor continues to hold, directly or indirectly, any Equity Securities of the Company (or other securities of the Company into which such Equity Securities may be converted or exchanged) without limitation on, or prejudice to, any of the other rights provided to the Investor or the VCOC Investor under this Agreement or Law, the Company shall provide to each such VCOC Investor or its designated representative:

A) the information, access and consultation rights provided to the Investor pursuant to Articles 3 (a) — (d); and

B) such other rights of consultation which the VCOC Investor's counsel may determine to be reasonably necessary under applicable legal authorities promulgated after the date hereof to qualify its investment in the Company as a "venture capital investment" for the purposes of the Plan Asset Regulations.

ii. The Company agrees to consider, in good faith, the recommendations of the VCOC Investor or its designated representative in connection with the matters on which it is consulted as described above, recognizing that the ultimate discretion with respect to all such matters shall be retained by the Company.

iii. In the event the Agreement is terminated in accordance with Clause 13 of the Shareholders' Agreement, and so long as the Investor or any of its Affiliates is intended to qualify as a VCOC Investor, and such VCOC Investor continues to hold, directly or indirectly, any Equity Securities of the Company (or other securities of the Company into which such Equity Securities may be converted or exchanged) the Investor and the Company shall in good faith negotiate and

agree with rights consistent with those contemplated in Articles 3(l)(i) and (ii).

m) New Business: The Company shall refer all proposals pertaining to any new business, being a business which is not then being undertaken by the Company, Avet and/or their respective Subsidiaries and/ or does not fall within the Business of the Company, Avet and/or their respective Subsidiaries, to be undertaken by the Company and/or its Subsidiaries (including without limitation the business of diagnostics, operation of pharmacies, hospitals) to the Board for its approval.

4. **"PRE-EMPTIVE RIGHTS"**

a) Notwithstanding anything to the contrary contained in these Articles, the Company shall not, at any time prior to an IPO, issue any securities (including any Equity Securities) of any type or class to any Person (the "Proposed Recipient") unless the Company has offered each Shareholder in accordance with the provisions of this Article the right to purchase such Shareholder's Pro Rata Share of such issuance for a per unit consideration, payable solely in cash, equal to the per unit consideration to be paid by the Proposed Recipient and otherwise on the same terms and conditions as are offered to the Proposed Recipient; provided, however, that the foregoing restriction shall not apply to any issuance of Equity Securities of the Company (i) pursuant to the terms of the Company Stock Option Plan or any other future employee stock option plans of the Company, which is approved in accordance with the terms of these Articles or the Shareholders' Agreement, (ii) upon the conversion, exercise or exchange of options, warrants or convertible securities issued on or after the date of these Articles, or (iii) in an IPO approved by the Board in accordance with these Articles.

b) Notice. Not less than 45 Business Days before a proposed issuance of securities by the Company other than in connection with an issuance permitted under Article 4(a)(i) through (iii) (a "**Proposed Issuance**"), the Company shall deliver to each Shareholder Written notice of the Proposed Issuance setting forth (i) the number, type and terms of the securities to be issued, (ii) the consideration to be received by the Company in connection with the Proposed Issuance and (iii) the identity of the Proposed Recipients.

c) Exercise of Rights. Within 30 Business Days following delivery of the notice referred to in Article 4 (b), each Shareholder electing to exercise its rights under this Article 4 shall give Written notice to the Company specifying the number of securities to be purchased by such Shareholder and the calculation by such Shareholder of its Pro Rata Share. Except as provided in the next succeeding sentence, failure by any Shareholder to give such notice within such 30 Business Day period shall be deemed a waiver by such Shareholder of its rights under this Article 4 with respect to such Proposed Issuance. If any Shareholder fails to give the notice required under this Article 4 (c) solely because of the Company's failure to comply with the notice provisions of Article 4 (b), then the Company shall not issue securities pursuant to this Article 4 and if purported to be issued, such issuance of securities shall be void. A Shareholder may assign to its Affiliate the right to acquire the securities pursuant to this Article 4, provided that such Affiliate complies with the provisions of Article 5 (e) as if it were a Permitted Transferee.

d) Failure to Subscribe. Subject to the Company's compliance with the notice provisions of Article 4(b), in the event that any Shareholder (a "Non-Subscribing Shareholder") notifies the Company that it declines to exercise its right to subscribe to its Pro Rata Share of the Proposed Issuance, in part or in whole, is deemed to have waived its right in accordance with Article 4(c), or fails to settle the payment of the consideration required for the Proposed Issuance within the 45 Business Day period following delivery of the notice referred to in Article 4 (c) (except where such 45 Business Day period is

extended for an additional period necessary to obtain any Governmental Approvals required for such subscription and payment), the other Shareholders shall be entitled to subscribe to such securities not subscribed to by any Non-Subscribing Shareholder, consistent with applicable Law.

e) In the event that Company procures the approval of its members for a Proposed Issuance in terms of Section 62 of the Act, subject to the provisions of Article 8(n), the provisions of this Article 4 shall not be applicable.

5. **"TRANSFER OF EQUITY SECURITIES"**

a) Transfer. No Shareholder shall Transfer or attempt to Transfer any Equity Securities of the Company or any right, title or interest therein or thereto, except as expressly permitted by the provisions of Articles 5, 6 and 7. Any Transfer or attempt to Transfer Equity Securities of the Company in violation of the preceding sentence shall be null and void ab initio, and subject to applicable Law, the Company shall not register any such Transfer. Subject to the above, within thirty (30) Business Days after registering any Transfer of Equity Securities in the Company by a Shareholder, the Company shall send a notice to the Investor, stating that such Transfer has taken place and setting forth the name of the transferor, the name of the transferee and the number and type of Equity Securities of the Company involved. It is clarified that all other members of the Company who are not party to the Shareholders' Agreement (including through a Deed of Adherence), are free to Transfer the Equity Securities held by them and are not bound by the transfer restrictions contained in these Articles.

b) Transfer Procedure. No Transfer may be made pursuant to Article 5, 6 and 7 unless (i) the transferee has executed a Deed of Adherence (except if such Transfer is made pursuant to an IPO), (ii) the Transfer complies in all respects with the other applicable provisions of these Articles and (iii) the Transfer complies in all respects with applicable Laws.

c) Restriction on Transfer of Identified Promoters. The Identified Promoters shall not Transfer any Equity Securities in the Company if such Transfer would result in the Identified Promoters, collectively with their Immediate Relatives, Family Trusts and other Affiliates which are 100% owned and controlled by the Identified Promoters, to own Equity Securities (free from Encumbrances) that represent less than 50.1% of the Share Capital of the Company on a fully diluted basis.

d) Restriction on Transfer of rights by the Other Promoters. In the event that the Other Promoters Transfer any Equity Securities of the Company to any Third Party, none of the Other Promoters' rights under these Articles and/or Shareholders' Agreement and/or any other agreements (other than those available under Law) shall be Transferred/ assigned to such Third Party (and the Company shall not grant any rights to such Third Party in connection with such Transfer) without the prior written consent of the Investor.

e) Permitted Transfers. The following Transfers of Equity Securities of the Company may be made at any time without compliance with the provisions of Articles 5(b), 6 and 7:

(i) Subject to Article 5 (c), Transfers amongst the Promoters *inter se* and Transfers by the Promoters to: (A) their Immediate Relatives; (B) Family Trusts of such Promoters; and (C) Affiliates which are 100% owned and controlled by the Promoters, subject to, in each case, the transferee executing a Deed of Adherence ("**Permitted Promoters Affiliate**");

(ii) Any Transfer by the Investor to its Affiliates, subject to such Affiliate executing

a Deed of Adherence and provided that such Affiliate ("Permitted Investor Affiliate"): (A) does not control a Company Competitor; and (B) such Affiliate is directly or indirectly controlled by Bain Capital Partners, LLC or funds managed or advised by Bain Capital Partners, LLC. The term "control" for purposes of this sub- clause (iii) means the power to direct the management or policies of a Person, whether through the ownership of over fifty percent (50%) of the voting power of such Person, through the power to appoint over half of the members of the board of directors or similar governing body of such Person, through contractual arrangements or otherwise; and

(iii) any Transfer of Equity Securities of the Company by the Investor, the Promoters or their respective Affiliates pursuant to an IPO in accordance with terms of these Articles;

For the avoidance of doubt, the rights of the Investor and its Affiliates shall be exercised through either the Investor or any one Permitted Investor Affiliate.

An Affiliate who is a transferee of the Equity Securities of the Company from the Investor or the Promoters as described in Article 5 (e) is hereinafter referred to as a "**Permitted Transferee**" of the Investor or the Promoters as the case may be. Each of the Promoters and Investor undertake that , prior to a Permitted Transferee ceasing to be (A) in the case of the Promoters, a Permitted Promoters Affiliate; (B) in case of the Investor, a Permitted Investor Affiliate, in each such case, acquire by itself or through any of its Affiliates (which are permitted to acquire such Equity Securities in accordance with these Articles) all but not less than all of the Equity Securities of the Company held by such Permitted Transferee, notwithstanding that such Permitted Transferee has executed a Deed of Adherence, and shall, if so necessary, themselves execute a Deed of Adherence or cause such Affiliate to do so.

f) Depositories. In the event the Equity Securities of the Company are dematerialized, the Promoters and the Investor shall issue appropriate instructions to the depository not to Transfer the Equity Securities of the Company held by any Shareholder except in accordance with these Articles.

g) Avoidance of Restrictions. The Transfer restrictions in these Articles (including in Articles 5, 6 and 7) shall not be capable of being avoided by the holding of Equity Securities of the Company indirectly through a company or other entity that can itself be sold in order to dispose of an interest in Equity Securities of the Company, free of such restrictions.

h) Restricted Transfer. The Investor shall not be entitled to Transfer any Equity Securities of the Company held by it to a Company Competitor, provided that, the aforesaid restriction shall cease to apply (i) after the 5th (fifth) anniversary of the Effective Date, if the Company has failed to complete the IPO and the listing of the Equity Securities of the Company on the Stock Exchanges prior to such date; or (ii) if the Promoters have transferred any Equity Securities held by them to a Company Competitor.

i) Restriction on further acquisitions by the Investor. The Investor shall not be entitled to acquire Equity Securities of the Company from any member of the Company not being a party to the Shareholders' Agreement (including through a Deed of Adherence), without the prior Written consent of Mr. Satish Mehta.

j) Right to Transfer.

Subject to Article 5(h) and Article 6 (Right of First Offer) of the Shareholder's Agreement, the Investor and its Affiliates shall have the right to Transfer any or all Equity Securities of the Company with or without its or their rights and obligations under these Articles and the Charter Documents at any time to a Person ("Purchaser"), without the prior written consent of any shareholders, the Promoters or the Company. Provided that if the Equity

Securities of the Company being Transferred by the Investor to any Purchaser in a single or more than one related transactions are less than or equal to 6.25 % of the Share Capital on a fully diluted basis, or such Transfer is consummated prior to the 2nd anniversary of the Effective Date, such Purchaser shall not be entitled to any rights or subject to any obligations of the Investor under these Articles, provided further that any further Transfer of Equity Securities of the Company by the Purchaser prior to expiry of 12 (twelve) months from the date of acquisition of such Equity Securities by the Purchaser from the Investor, shall be subject to Article 5(h) and Article 6 of the Shareholders' Agreement and the Purchaser shall issue an undertaking to the Company in this regard at the time of the Transfer of the Equity Securities by the Investor to the Purchaser. In any Transfer by the Investor to the Purchaser of Equity Securities representing more than 6.25% of the Share Capital, upon receipt of reasonable notice and subject to the Purchaser assuming similar obligations to the Investor under Clause 12 (Confidentiality) of the Shareholders' Agreement and against execution of suitable confidentiality/non-disclosure agreement/undertaking by the Purchaser, the Company shall give reasonable access to the Purchaser and its authorized representatives (including lawyers, accountants, auditors and other professional advisors) to visit and inspect all properties, assets, corporate, financial and other records, reports, books, contracts and commitments of the Company and its Subsidiaries and to discuss and consult with respect to its business, action plans, budgets and finances with the directors and executive officers of the Company and its Subsidiaries. In any Transfer by the Investor to the Purchaser of Equity Securities representing more than 6.25% of the Share Capital along with the rights in terms of the Shareholders' Agreement, the rights of the Investor hereunder shall be exercisable by the Investor and the Purchaser jointly only.

6. "RIGHT OF FIRST OFFER"

a) If either (i) subject to the provisions of Article 5(c) any of the Promoters and/or their Affiliates; or (ii) subject to the provisions of Article 5 (h) the Investor and/or its Affiliates (the "**Transferring Shareholder**") proposes to Transfer its or their Equity Securities to a Third Party, the Investor and/or Promoters, as the case may be, shall first have a right of first offer (the "**First Offer Right**") with respect to such sale as provided in this Article 6.

b) If the Transferring Shareholder proposes to sell its Equity Securities, the Transferring Shareholder shall send a written notice (the "**Transfer Notice**") to the Promoters and/or the Investor, as the case may be (the "**Offeree**"), which notice shall state (i) the name of the Transferring Shareholder and (ii) the number of Equity Securities to be sold (the "**Offered Securities**").

c) Rights of Offerees. For a period of 30 Business Days after delivery of a Transfer Notice (the "**Offer Period**"), the Offeree shall have the right, through the delivery of an Offer Notice as provided in Article 6(d), to purchase in aggregate all, but not less than all, of the Offered Securities. An Offeree may assign to an Affiliate of such Offeree its right to acquire Offered Securities pursuant to this Article 6 (c), provided that such Affiliate complies with the provisions of Article 5 (e) as if it were a Permitted Transferee.

d) Exercise of Rights. The First Offer Right of an Offeree under Article 6 (a) shall be exercisable by delivering Written notice of exercise (an "**Offer Notice**") within the Offer Period to the Transferring Shareholder. The Offer Notice shall contain a binding offer to purchase the Offered Securities and the price ("**Offer Price**") at which it is desirous of purchasing all (but not less than all) of the Offered Securities and terms and conditions, if any. An Offer Notice shall be irrevocable and shall constitute a binding agreement between the Offeree and the Transferring Shareholder (if the Transferring Shareholder

issues an Acceptance Notice in terms of Article 6(e)) to purchase the Offered Securities. The failure of an Offeree to give an Offer Notice within the Offer Period shall be deemed to be a waiver of such Offeree's First Offer Right.

e) Acceptance by the Transferring Shareholder. For a period of 30 Business Days ("**Acceptance Period**") after delivery of the Offer Notice the Transferring Shareholder shall have the right to accept the Offeree's offer to purchase the Offered Securities at the Offer Price, by issuing a Written notice ("**Acceptance Notice**") in this regard to the Offeree. If the Transferring Shareholder delivers an Acceptance Notice to the Offeree, then the Offeree and the Transferring Shareholder shall complete the Transfer of the Offered Securities within 30 Business Days of the receipt of Acceptance Notice in the manner as set out in Article 6 (h).

f) Sale to Third-Party Purchaser. In the event (i) the Offerees do not issue an Offer Notice within the Offer Period; or (ii) the terms for the Transfer of the Offered Securities as set out in the Offer Notice are not acceptable to the Transferring Shareholder, the Transferring Shareholder may Transfer all of the Offered Securities to any Person ("**Transferee**"); provided, that (i) the price for the sale to the Transferee is at a price per Share not less than the Offer Price (if applicable) and (ii) the sale is otherwise on terms and conditions (taken in the aggregate) not materially less favourable to the Transferring Shareholder than those set forth in the Offer Notice (if applicable); and (iii) the Transfer to the Transferee is made within (A) 6 (six) Months of the expiry of the Offer Period, if no Offer Notice was received by the Transferring Shareholder; or (B) 6 (six) Months of the expiry of the Acceptance Period, in case the Offer Notice was issued by the Offeree but was not acceptable to the Transferring Shareholder. If such a Transfer does not occur within such period for any reason, the restrictions provided for herein shall again become effective, and no Transfer of Equity Securities may be made by the Transferring Shareholder thereafter without again making an offer to the other Shareholders in accordance with this Article 6.

g) In the event the Transferring Shareholder issues an Acceptance Notice and the Transfer of the Offered Securities is not completed by the end of the period as mentioned in Article 6(e) due to a breach by the Offeree, then the Transferring Shareholder shall have the right to sell all but not less than all the Offered Securities to any Third Party at any price and on any terms acceptable to the Transferring Shareholder within a period of six (6) Months of the expiry of the Acceptance Period. If such a Transfer does not occur within such period for any reason, the restrictions provided for herein shall again become effective, and no Transfer of Equity Securities may be made by the Transferring Shareholder thereafter without again making an offer to the other Shareholders in accordance with this Article 6.

h) Closing. The closing of any purchase of Offered Securities by the Offerees shall be held at the principal Office of the Company or at such other place as the parties to the transaction may agree. At such closing, the Transferring Shareholder shall deliver certificates representing the Offered Securities, accompanied by duly executed instruments of transfer or duly executed transfer instructions to the relevant depositary participant. Such Offered Securities shall be free and clear of any Encumbrance (other than Encumbrances arising hereunder or attributable to actions by the Offerees), and the Transferring Shareholder shall so represent and warrant and shall further represent and warrant that it is the beneficial and record owner of such Offered Securities. Each Offeree purchasing Offered Securities shall deliver at such closing, payment of the Offer Price in accordance with the terms set forth in the Offer Notice, an executed Deed of Adherence (if required). At such closing, all of the parties to the transaction shall execute such additional documents as may be necessary or appropriate to effect the sale of the Offered Securities to the Offerees. Any stamp duty or transfer taxes or fees payable on

the transfer of any Offered Securities shall be borne and paid by the relevant Offerees in proportion with the number of Offered Securities each such Offeree is purchasing.

i) The time period set out for the completion of the Transfer of Offered Securities as set out in this Article 6, shall be extended for any additional period necessary to obtain any Governmental Approvals required for such purchase and payment.

j) The provisions of this Article 6 shall cease to apply to any Transfer of Equity Securities of the Company by the Investor:

i. in the case of an IPO which is not an Investor Triggered IPO (as defined in Article 9), if such IPO is not completed and the listing of the Equity Securities of the Company on the Stock Exchange has not occurred prior to the 4th (fourth) anniversary of the Effective Date; and

ii. in the case of an Investor Triggered IPO, if such IPO is not completed and the listing of the Equity Securities of the Company on the Stock Exchange has not occurred within 1 (one) year from the date of expiry of the Extended Period.

7. "TAG ALONG RIGHT"

a) Subject to the provisions of Article 5(c), if a Promoter and/or its Affiliates receives a bona fide offer to acquire Equity Securities of the Company or proposes to make a Transfer of Equity Securities of the Company to a Third Party ("**Transferee**"), the Promoters and/or its Affiliates shall send a Written notice (the "**Tag-Along Notice**") to the Investor, which notice shall state: (i) the name, address and identity of the proposed Transferee, (ii) the number of Equity Securities of the Company to be Transferred (the "**Sale Securities**"), (iii) the amount and form of the proposed consideration for the Transfer, (iv) the other terms and conditions of the proposed Transfer, (v) a representation that no consideration, tangible or intangible, is being provided to the Promoters and/or their Affiliates that is not reflected in the price to be paid to the Investor exercising its Tag-Along Right hereunder and (vi) the number of Equity Securities of the Company the Promoters together with their Affiliates then owns. In the event that the proposed consideration for the Transfer includes consideration other than cash, the Tag-Along Notice shall include a calculation of the fair market value of such consideration as determined by an internationally-reputed investment bank. The total value of the consideration for the proposed Transfer is referred to herein as the "**Tag-Along Price**."

b) Tag-Along Rights. The Investor shall have the right (the "**Tag-Along Right**") but not the obligation to require the Promoters to cause the Transferee in a Transfer of Sale Securities of the Company to purchase from the Investor and/or its Affiliates, for the same consideration per Sale Security of the Company and upon the same terms and conditions as are to be paid and given to the Promoters and/or their Affiliates (except that the Investor and its Affiliates will not be required to make any representations or warranties except as provided in Article 7 (e) or otherwise be liable for any indemnification (except in respect of their own breach), such number of Equity Securities of the Company held by the Investor together with its Affiliates equal to the Sale Securities multiplied by a fraction, the numerator of which is the total number of Equity Securities of the Company held by the Investor together with its Affiliates and the denominator of which is the total number of Equity Securities of the Company held by the Promoters together with its Affiliates, in each case on a fully-diluted basis. Provided that, if the Ownership in the Company of the Identified Promoters (together with their Family Trusts and other Affiliates that are 100% owned and controlled by the Identified Promoters) falls below 50.1%, the Investor and its Affiliates shall

be entitled to sell to the Transferee up to all of the Equity Securities of the Company held by the Investor together with its Affiliates at such time.

c) Tag-Along Notice. Within ten (10) Business Days following the receipt of the Tag-Along Notice ("**Tag Offer Period**"), in the event the Investor and/or its Affiliates elects to exercise its Tag-Along Right, it shall deliver a Written notice of such election to the Promoters ("**Tag Acceptance Notice**") and the number of Equity Securities of the Company, the Investor and/or its Affiliates proposes to Transfer to such Transferee ("**Tag-Along Securities**"), which number shall not exceed the number calculated in accordance with Article 7 (b). Such notice shall be irrevocable and shall constitute a binding agreement by the Investor and/or its Affiliates to sell such Equity Securities of the Company on the terms and conditions set forth in the Tag Acceptance Notice.

d) Non-Consummation. Where the Investor and/or its Affiliates have properly elected to exercise its Tag-Along Right and the proposed Transferee fails to purchase Equity Securities of the Company from the Investor and/or its Affiliates, the Promoters and/or their Affiliates shall not make the proposed Transfer, and if purported to be made, such Transfer shall be void and the Company shall not register any such Transfer of Equity Securities of the Company. If the Investor and its Affiliates do not exercise their Tag Along Right within the Tag Offer Period, the Promoters and/or its Affiliates shall complete the Transfer of the Sale Securities to the Transferee within sixty (60) days of the expiry of the Tag Offer Period on the same terms and conditions contained in the Tag-Along Notice failing which Promoters and their Affiliates shall not Transfer any Equity Securities in the Company without again complying with the provisions of this Article 7.

e) Closing. The closing of any purchase of Equity Securities of the Company by the Transferee from the Investor and/or its Affiliates shall take place simultaneously with the closing of the purchase of Equity Securities of the Company by the Transferee from the Promoters and their Affiliates or at such other time and place as the Investor may agree In Writing. At such closing, the Investor and/or its Affiliates shall deliver certificates representing the Tag-Along Securities, accompanied by duly executed instruments of transfer or duly executed transfer instructions to the relevant depository participant. Such Tag-Along Securities shall be free and clear of any Encumbrance (other than Encumbrances arising under the Shareholder' Agreement or under these Articles or attributable to actions by the Company, the Promoters and/or their Affiliates), and the Investor and/or its Affiliates shall so represent and warrant and shall further represent and warrant that it is the beneficial and record owner of such Tag- Along Securities. The Investor and its Affiliates shall not be required to make any other representations or warranties. Any Transferee purchasing the Tag-Along Securities shall deliver at such closing (or on such later date or dates as may be provided in the Tag-Along Notice with respect to payment of consideration by the proposed Transferee) payment of the Tag-Along Price in accordance with the terms set forth in the Tag-Along Notice, an executed Deed of Adherence and any requisite transfer taxes. At such closing, all of the parties to the transaction shall execute such additional documents as may be necessary or appropriate to effect the sale of the Equity Securities of the Company to the Transferee.

f) Post-IPO Tag-Along Right. Notwithstanding anything mentioned in Article 7(a) to 7(e), the Investor shall not have a Tag-Along Right in respect of any Transfer or sale of Equity Securities of the Company by the Promoters and/ or their Affiliates anytime after the occurrence of an IPO and provided that such Transfer or sale of Equity Securities of the Company by the Promoters and/or their Affiliates together with prior Transfers or sales in any given Financial Year do not exceed the following thresholds ("**Tag-along Threshold**"): (a) 1% of the Share Capital after commencement of listing and trading of Equity Securities of the Company; (b) 2% of the Share Capital after the first

anniversary of commencement of listing and trading of Equity Securities of the Company; (c) 3% of the Share Capital after the second anniversary of commencement of listing and trading of Equity Securities of the Company; and (d) 4% of the Share Capital after the third anniversary of commencement of listing and trading of Equity Securities of the Company. If such Tag-along Threshold is exceeded in any given Financial Year, then the Tag-Along Right shall apply, unless such Equity Securities of the Company are sold in a public offering or on the Stock Exchange so long as such sale is not a negotiated deal or a "block deal" (as defined in terms of the applicable circulars issued by SEBI).

g) The time period set out for the completion of the Transfer of Securities as set out in this Article 7, shall be extended for any additional period necessary to obtain any Governmental Approvals required for such purchase and payment.

8. "CORPORATE GOVERNANCE"

a) Authority of the Board. Subject to the provisions of these Articles and the Act, the Board shall be responsible for the management, supervision, direction and control of the Company and, as a holding company, its Subsidiaries. Subject to the provisions of these Articles, the Board shall be entitled to delegate powers to such persons and such committees that the Board may create to assist it in its business strategy and objectives.

b) *Size of the Board. The number of Directors constituting the entire Board shall not exceed 15. The Investor and its Affiliates shall have the right to nominate one (1) Director ("**Investor Director**") on the Board. The Investor Director shall not be a Director on the board of directors of a Company Competitor unless otherwise agreed to by the Promoters and the Company in Writing. If, from and on the Effective Date, Mr. Amit Chandra is nominated Investor Director, he may continue to act as a Director on the board of Piramal Enterprises Limited. The Promoters shall ensure that the Company appoints, and the Company shall appoint at all times, (i) such number of Independent Directors to the Board such that the majority of Directors on the Board are Independent Directors; or (ii) if the chairman of the Board is a non-executive Director, at least one third of the Board shall comprise of Independent Directors. If for any reason the Company has not been able to appoint an adequate number of Independent Directors in accordance with this Article 8(b), the Promoters shall procure the resignation of such number of Directors (other than the Investor Director and the Managing Director). The Investor Director shall be a Director whose office is not capable of being vacated by retirement or by rotation.

c) Board of directors of the Subsidiaries. The Investor shall be entitled to appoint a minimum of one (1) non-rotational Director on the board of directors of a Material Subsidiary if such Material Subsidiary proposes to conduct a public offering of its Equity Securities on any securities exchange other than a Stock Exchange and, subject to applicable Law, the Investor shall continue to have such right to appoint a Director on such Material Subsidiary post such listing on the relevant securities exchange. In such a case, the Company shall take all necessary steps to ensure the appointment of the nominee of the Investor on the board of Directors of such Material Subsidiary.

d) Election of Directors. The Promoters, the Investor and their respective Affiliates shall each exercise their votes in relation to all the Equity Securities of the Company held by them at any Shareholders Meeting called for the purpose of filling the positions on the Board or in any decision of the Board for such purpose to elect, and shall take all other actions necessary to ensure the election to the Board of, such Directors as specified in Article 8(b).

e) Board Committees. The Investor shall have the right (but not the obligation) to, and the Company shall, appoint the Investor Director to the audit committee, remuneration committee and any other committee of the Board as may be constituted by the Board after the Effective Date (including any IPO committee of the Board). The proceedings and decisions of any committee(s) formed by the Board shall be subject to Article 8(n). The provisions of Article 8(k) below relating to quorum in so far as they apply to meetings of the Board which are not Scheduled Board Meetings shall apply mutatis mutandis to meetings of committee(s) of the Board of which the Investor Director is a member.

f) Removal and Replacement of Directors. The Investor Director may be removed from the Board without cause, upon, and only upon, the Written request of the Investor. Each Shareholder shall exercise its vote in relation to the Equity Securities of the Company controlled by it for the removal of the Investor Director upon the Written request of the Investor. The Investor shall cause the replacement of the Investor Director in the event the Investor Director is appointed as a Director on the board of directors of a Company Competitor. Except in the event of the Investor failing to remove the Investor Director in accordance with the foregoing sentence, no Shareholder shall exercise its votes in relation to the Equity Securities of the Company controlled by it for the removal of the Investor Director in any other circumstances, unless the Investor Director is disqualified from acting as a Director in terms of the Act. In the event the Investor Director resigns or is removed in accordance with this Article 8(f), the Investor will have the right to nominate such Director's successor or replacement, and such successor or replacement Director shall be nominated and elected on or as soon as practicable after the date of such resignation or removal and in any event within 25 Business Days after such resignation or removal.

g) Alternate Director. The Investor shall be entitled through its Investor Director to nominate an alternate Director to act in accordance with the Act for any Director nominated by the Investor and shall issue a Written notice to the Company in accordance with Clause 14 (Notices) of the Shareholders' Agreement providing the name and contact address of such alternate Director ("**Alternate Director Nomination Notice**"). The Board shall appoint the alternate Director so nominated within 5 Business Days of the receipt of such Alternate Director Nomination Notice. The Investor shall also have a right to withdraw its nominated alternate Director and nominate another in his place. The Investor and the Promoters shall take all such actions, including exercising their respective votes in relation to the Equity Securities of the Company controlled by it, as may be required to cause any alternate Director nominated pursuant to this Article 8(g) to be duly elected or appointed.

h) Directors' Access. The Investor Director shall be entitled to examine the books, accounts and records of the Company and its Subsidiaries and shall have free access, at all reasonable times and with prior reasonable Written notice, to any and all properties and facilities of the Company. The Company shall provide such information relating to the business affairs and financial position of the Company and/or its Subsidiaries, as the Investor Director may reasonably require. Such information shall be as mutually agreed on a good faith basis by the Chief Financial Officer of the Company along with the Investor. The Investor Director may provide such information to the Investor and its Affiliates and its and its Affiliates' respective directors, officers, managers, employees (including those on secondment), legal, financial and other professional advisors and bankers and, in the case of the Investor, its and its Affiliates' limited partners (collectively, "**Representatives**").

i) Frequency and Location of Board Meetings. Meetings of the Board shall take place at least once in every three-Month period. Meetings shall be held in Pune or Mumbai or any other location approved in Writing by a majority of

the Directors. On or prior to the first day of every Financial Year, the Company shall issue a Written notice to the Investor providing the date and location of all regular meetings of the Board for such Financial Year ("**Scheduled Board Meetings**").

j) Notice. A meeting of the Board may be called by the chairman of the Board or the Investor Director by giving notice in Writing to the company secretary of the Company specifying the date, time and agenda for such meeting. The company secretary shall upon receipt of such notice give a copy of such notice to all Directors of such meeting, accompanied by a Written agenda specifying in reasonable detail the business of such meeting. The Company shall ensure that notice of a meeting of the Board shall be accompanied by necessary background and other information and/or supporting documents pertaining to the business proposed to be transacted thereat. Not less than seven (3) Business Days' notice of a meeting of the Board shall be given to all Directors; provided, however, that such notice period: (i) shall not apply in the case of an adjourned meeting pursuant to Article 8(k); and (ii) may be reduced with the Written consent of a majority of the Directors, provided, however, that such majority shall include the Investor Director.

k) Quorum. Subject to the provisions of the Act, all meetings of the Board shall require a quorum of at least two Directors; provided, however, that the quorum must include the presence of the Investor Director in respect of any meeting of the Board which is not a Scheduled Board Meeting. If such a quorum is not present within one hour from the time appointed for the meeting, the meeting shall adjourn to such place and time as those Directors who did attend shall decide or, if no such decision is reached, at the same place and time seven (3) Business Days later, at which meeting the Directors present shall constitute a valid quorum even though the Investor Director is not present, provided that Written notice of such adjourned meeting shall have been delivered to all Directors at least five (5) Business Days prior to the date of such adjourned meeting. Notwithstanding anything in this Article 8(k), the adoption of any resolution of the Board at any meeting where an Investor Director is present or not at such meeting of the Board or in any adjourned meeting shall also be subject to the provisions of Article 8(n).

l) Voting. At any Board meeting, each Director may exercise one vote. Except as provided in Article 8(n), the adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted meeting of the Board or in the case of a circular resolution signing by the majority of the Directors to whom the resolution is circulated. Subject to Article 8(n) the Board shall not at any meeting adopt any resolution covering any matter that is not expressly specified on the agenda for such meeting unless a majority of the Directors present at such meeting which shall include the Investor Director vote in favour of such resolution. In case of any equality of votes, the Chairman shall have a second or casting vote.

m) Telephonic/Video Participation. If permitted by the Act, Directors may participate in Board meetings by video conferencing or any other Audio visual means in accordance with the provisions of the ACT. A Director may not leave the meeting by disconnecting his telephone or other means of communication unless he has previously obtained the express consent of the chairman of the meeting and a Director shall conclusively be presumed to have been present and formed part of the quorum at all times during the meeting unless he has previously obtained the express consent of the chairman of the meeting to leave the meeting as aforesaid.

n) Affirmative Voting Matters. Subject to any additional requirements imposed by the Act, neither the Company nor any Shareholder, Director, officer, committee, committee member, employee, agent or any of their respective delegates shall, without (i) the affirmative Written consent or approval of at least a majority of the Directors at a validly convened Board meeting; and (ii) Written consent of the

Investor, take or permit any Subsidiary to take any of the actions set forth below, whether by circular resolution or otherwise. The Investor shall (i) communicate its decision In Writing to the Company and the Investor Director or (ii) communicate In Writing to the Company the fact that the Investor Director's vote shall be construed as the Investor's assent or dissent, as the case may be, with respect to any matter listed below prior to the meeting at which such matter is proposed to be considered subject to the Company complying with the provisions of Article 8(j). In the event that no Written communication is received by the Company from the Investor with respect to a matter listed below prior to the meeting at which such matter is proposed to be considered subject to the Company complying with the provisions of Article 8(j), the Investor Director's vote in such matter shall be deemed to be the decision of the Investor for the purposes of this Article 8(n). In the event that no Written communication is received by the Company from the Investor with respect to a matter listed below prior to the meeting at which such matter is proposed to be considered as aforesaid, where such meeting has been adjourned because of lack of quorum due to the absence of the Investor Director, and the Investor Director does not attend the adjourned meeting either, a resolution on a matter listed below may be adopted by the affirmative vote of a majority of the Directors present at such adjourned meeting. All matters in respect of the actions set forth below whether such action is to be taken by the Company or its Subsidiaries must be referred to the Board, and no Shareholder, Director, officer, committee, committee member, employee, agent or any of their respective delegates shall take any actions purporting to commit the Company or any Subsidiary in relation to any such matters without the prior approval of the Board and the Investor in accordance with this Article 8(n). If any matter identified below does not require the prior Written consent of the Investor in terms of this Article 8(n) due to the prescribed financial threshold in respect of such matter, then, the Company shall make best endeavors to ensure that such matters are presented to the Board for discussion and deliberation by the Board prior to them being implemented.

i. Commence any new business (including research in relation to new chemical entities for regulated markets), not being in the nature of pharmaceuticals sales and marketing, contract manufacturing for final formulations and active pharmaceuticals ingredients, contract manufacturing for export markets for final formulations and active pharmaceuticals ingredients, which individually or in the aggregate, involves expenditures in excess of Rupees 1500 million in any two year period (not being treasury operations).;

ii. Issue, allot, repurchase, redeem, alter, reorganize or retire Equity Securities convertible securities or options in respect of such Equity Securities, or any rights attached to such Equity Securities (including, for the avoidance of doubt, phantom equity or similar arrangements), or otherwise permit any change in the equity structure of the Company, any changes in class rights for securities, or undertake stock splits or stock consolidations, or (iii) modify or adopt any equity option plan except for the issuance of any additional Equity Securities of the Company approved for issuance pursuant to the Company Stock Option Plan;

iii. Issue, allot, repurchase, redeem, alter, reorganize or retire Equity Securities convertible securities or options in respect of such Equity Securities, or any rights attached to such Equity Securities (including, for the avoidance of doubt, phantom equity or similar arrangements), or otherwise permit any change in the equity structure of any Subsidiary of the Company, any changes in class rights for securities, or undertake stock splits or stock consolidations, except for the existing Stock Appreciation Rights plan of Heritage Pharmaceuticals on their current terms;

iv. Initiate or consummate (i) an IPO at any time prior to the expiry of 3 years from the Effective Date (other than a Promoter Secondary IPO) if such IPO would result or results in an aggregate valuation of all the Equity Securities of the Company held by the Investor and its Affiliates based on the lowest price of the price band of such IPO (assuming the Investor and its Affiliates have not acquired or Transferred any Equity

Securities) that is less than the aggregate of the Investment Amount and an additional amount being the amount calculated on a compounded basis at the rate of 15 % per annum on the Investment Amount from the Effective Date until the consummation of the IPO or (ii) any public offering of Equity Securities of any Subsidiary;

v. Delist any Equity Securities of the Company or any Subsidiary on or from any Stock Exchange;

vi. (i) Acquire assets (or any interest therein) (whether by way of acquisition of Equity Securities or interests in joint ventures, consortiums, partnerships or similar arrangements or pursuant to mergers and acquisitions, acquisition of assets or otherwise)or sell or otherwise dispose of any assets, other than in the ordinary course of its business where the amount involved (whether in cash or otherwise and including any Indebtedness assumed, incurred or disposed of), individually or in the aggregate for all such acquisitions and sales or other dispositions, over any two year period, does not exceed Rupees 1500 million, or (ii) incur any capital expenditure where the amount involved (whether in cash or otherwise), individually or in the aggregate, in any Financial Year, exceeds Rupees 1500 million;

vii. Sell or otherwise dispose of any Equity Securities of any Subsidiary;

viii. (i) Declare or pay any Dividend or other distribution (whether in cash, securities, property or other assets) on any class of Equity Securities of the Company in excess of 35% of the net income of the Company for the pertaining period as provided in the audited accounts of the Company, or (ii) declare or pay any Dividend or other distribution (whether in cash, securities, property or other assets) on any class of Equity Securities of a Subsidiary in excess of 35% of the net income of the relevant Subsidiary for the pertaining period as provided in the audited accounts of the relevant Subsidiary;

ix. Incur, issue or assume any Indebtedness if, on a pro forma basis immediately after giving effect thereto, the Company and its Subsidiaries (on a consolidated basis) would have a ratio of Net Indebtedness to EBITDA greater than 3 to 1;

x. Provide any loans or guarantees or extension of credit or security to any other Person (other than to Subsidiaries and inter se such Subsidiaries) in excess of an aggregate limit of INR 1500 million in any Financial Year, provided however, the affirmative vote or prior consent of the Investor shall be required without applying any limits for any loans or guarantees or extension of credit or security to Avet and/or any of its Subsidiaries (except for (i) any existing loans or guarantees or extension of credit or security provided by the Company to Avet Pharmaceuticals Inc.); and/ or (ii) any guarantee provided by the Company to Bank of Baroda pursuant to the assignment of the loan agreements (as existing as on the date of this Agreement) executed between Bank of Baroda and the Subsidiaries of the Company (which form part of the Demerged Undertaking (as defined in the Scheme) to Avet in terms of the Scheme);

xi. Utilize the securities premium account of the Company for any purpose other than the buy-back of the Equity Shares held by the Investor together with its Affiliates;

xii. Enter into an arrangement, contract or agreement with any Related Party(ies) or Affiliate(s) (other than a Subsidiary of the Company or arrangements inter se the Subsidiaries) which (i) has a value of more than Rupees 100 million in any financial year; or (ii) is not on an arms length basis, or (iii) would result in the aggregate value of all arrangements, contracts, or agreements with any Related Party(ies) exceeding Rupees 300 million in any financial year; provided that the Company may accept a deposit of upto INR 500 million from HM Sales Corporation, without the affirmative vote or prior consent of the Investor, on such costs and other terms and conditions which are no less favourable to the Company than those available on borrowings from banks and financial institutions;

xiii. Merge, amalgamate or consolidate the Company or any Subsidiary with any other entity;

xiv. Cause the Company or any Subsidiary to (1) commence any case, proceeding or other action (A) under any bankruptcy, insolvency or similar law seeking to have an order of relief entered with respect to it or seeking to adjudicate it as bankrupt or insolvent, or seeking reorganisation, arrangement, adjustment, winding up, liquidation, dissolution, composition or other relief with respect to it or its debts or (B) seeking appointment of a receiver, trustee, custodian or other similar official for it or all or any substantial part of its property, (2) make a general assignment for the benefit or its creditors or (3) admit In Writing its inability to pay its debts when they become due;

xv. Dissolve, liquidate, reorganise or restructure the Company or any Subsidiary;

xvi. Amend any Charter Documents of the Company or the articles of association, the memorandum of association or the equivalent organizational documents of any Subsidiary;

xvii. Change the accounting standards or tax policies or practices employed by the Company or any Subsidiary;

xviii. Change the statutory or internal auditors of the Company or any Subsidiary;

xix. Establish or set up any Person that is or would be a Subsidiary of the Company or any Subsidiary;

xx. Cause or permit the Company or any Subsidiary to cease carrying on a material part of its business;

xxi. The Company assuming any Liability in excess of Rupees 1500 million pursuant to any agreement, contract, arrangement, obligation under law or otherwise, other than in the ordinary course of business;

xxii. Commence or settle any litigation, arbitration or administrative proceeding in which the Company or any Subsidiary is a plaintiff or defendant and the amount of the claims or settlement arising directly or indirectly out of the same cause of action is equal to or greater than Rupees 1500 million or where the Company or any Subsidiary assumes any material continuing obligation on itself;

xxiii. Amend any material terms which would adversely impact the Company's or any Subsidiary's interest in any joint venture, consortium, partnership or similar arrangement with any other Person or any termination of such arrangements,

xxiv. Amend or terminate the Anti-Corruption Policy;

xxv. sale of any products by the Company or any Subsidiary, directly or indirectly, in United States of America, except sale of APIs and/or products manufactured under the CMO/CRO services to (i) Avet and/ or any of its Subsidiaries; and/ or (ii) any third party at an arm's length price;

xxvi. Amend, modify or terminate the Indemnification Deed, and waive any rights thereunder; and

xxvii. Enter into any binding agreement to take any of the foregoing actions.

o) Complete Effect. Each Shareholder shall vote with respect to its Equity Shares at any general or Extra-Ordinary General Meeting of the Shareholders or matters required to be voted by way of a postal ballot (a "**Shareholders Meeting**"), and shall take all

other actions necessary, to give effect to the provisions of the Shareholders' Agreement and to ensure the inclusion in the Charter Documents of the rights and privileges of the Shareholders included in the Shareholders' Agreement. In addition, each Shareholder shall vote its Equity Shares at any Shareholders' Meeting upon any matter submitted for action by the Shareholders or with respect to which the Shareholders may vote and shall cause its Directors on the Board to vote, in conformity with the specific terms and provisions of the Shareholders' Agreement to the extent legally permissible to give complete legal effect to the provisions of the Shareholders' Agreement. The Shareholders shall use their best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable under Law to consummate or implement expeditiously the transactions contemplated by, and the agreements and understanding contained in the Shareholders' Agreement. The Shareholders shall vote their Equity Shares and shall take all other actions necessary or required, to ensure that at all times the Charter Documents or the charter documents of the relevant Subsidiary, as the case may be, facilitate, and do not conflict with, the provisions of the Shareholders' Agreement, and require the approval of the Company or the Board in order for each of the actions set out in Article 8(n) to be taken by such Subsidiary.

p) Shareholders Meetings. Notwithstanding anything to the contrary contained in these Articles, and subject to the provisions of the Act, all Shareholders Meetings shall require a quorum of at least 5 Shareholders present in person or through their representative; provided, however, that such quorum must include the Investor. If such quorum is not present within one hour from the time appointed for the Meeting, the Meeting shall be adjourned to the same time and place not earlier than ten (10) Business Days but no later than twenty-one (21) Business Days thereafter as the chairman may determine after prior consultations with the Investor Director (if the Investor Director is present). In the absence of a valid quorum at such adjourned Meeting, the Shareholders present in person or through their representative thereat shall, notwithstanding anything to the contrary herein contained, constitute a quorum and all business transacted thereat shall be regarded as having been validly transacted.

q) Liability of Investor Director. The Investor Director will be a non-executive Director. The Investor Director shall not be identified or classified or appointed as an officer in charge/ default of the Company or any Subsidiary or occupier of any premises used by the Company or any Subsidiary.

r) In case a Director nominated by the Investor is appointed on the board of directors of a Material Subsidiary in accordance with Article 8(c), the provisions of this Article 8(other than Article 8(b), (i), (o) and (p) shall apply mutatis mutandis to such Material Subsidiary.

9. EXIT

A) INITIAL PUBLIC OFFERING

i. IPO Timelines

THE PARTIES AGREE THAT THE COMPANY SHALL AND THE PROMOTERS SHALL PROVIDE REASONABLE SUPPORT TO, AND SHALL CO-OPERATE WITH THE COMPANY TO MAKE BEST ENDEAVOURS TO ENSURE THAT THE IPO OF THE COMPANY IS COMPLETED IN ACCORDANCE WITH THE TIMELINES SET OUT BELOW:

A. The Company shall make best endeavours to appoint a reputed category I merchant bank registered with the Securities and Exchange Board of India **("SEBI")** and all other advisors required for the IPO by January 31, 2021 but in any event appoint such merchant bank and all other advisors for the IPO by no later than February 28, 2021;

B. Within (x) 15 (fifteen) days of the Effective Date 2, or (y) July 15, 2021, whichever is later, the Company shall make best endeavours to prepare and file a draft red herring prospectus for the IPO of the Company ("**DRHP**") with SEBI; and

C. Subject to receipt of necessary approvals from SEBI and the Stock Exchanges, the Company shall use good faith endeavours to complete the IPO by October 31, 2021 and in any event no later than December 31, 2021.

ii. IPO Committee: Simultaneous with the approval of the Scheme by the Board, the Board shall also constitute a committee for execution and implementation of the IPO ("**IPO Committee**"), which shall comprise at least one representative of the Investor. The IPO Committee has only a recommendatory role and it may invite relevant participants as may be required from time to time.

iii. Mode of the IPO: The Parties agree that the IPO of the Company shall mandatorily include an offer for sale of existing Equity Securities in which (A) the Investor shall have the right as well as the obligation to offer such number of Equity Securities of the Company which is equal to 1/3rd (one-third) of the Equity Securities held by it and/ or its Affiliates in the Company as of the date of filing of the red herring prospectus of the Company with SEBI for such IPO ("**Minimum Commitment**"); and (B) the Investor shall have the right but not the obligation to offer in such IPO its Equity Securities exceeding the Minimum Commitment up to all the Equity Securities then held by it in such IPO, provided that the right of the Investor to offer its Equity Securities exceeding the Minimum Commitment shall be subject to discussions with the merchant bankers, underwriters and the Company on the size of the IPO. Any remaining Equity Securities that are required to be offered for purposes of the IPO as per the requirements of applicable Law, and as advised by the merchant bankers and underwriters for the IPO, shall be contributed either by way of a primary issuance by the Company and/or by way of an offer for sale by the Promoters, as determined by the Board, in consultation with the merchant bankers and underwriters for the IPO.

iv. Advisors to IPO. In consultation with the Investor, the Company shall retain reputed investment banks and underwriters to advise on the Company's options with respect to the IPO. The Company and the Promoters shall take all such steps, and extend all such co-operation to each other and the lead managers, underwriters and others as may be required for the purpose of expeditiously making and completing the IPO including (A) preparing and signing the relevant offer documents; (B) conducting road shows with adequate participation of senior management; (C) entering into appropriate and necessary agreements; (D) providing all necessary information and documents necessary to prepare the offer documents; (E) filing with appropriate regulatory authorities; and (F) obtaining any necessary regulatory or other approvals in relation to the IPO.

v. Other terms of the IPO:

A. The Company shall, in good faith, consult with, on a non-binding basis, and involve the Investor in any material decision taken (including in the discussions with the lead managers) on matters relating to the IPO including, but without limitation, the price band for the IPO.

B. The Investor shall provide all co-operation and assistance to the Promoters and the Company, as may be requested or necessary for the purpose of the IPO.

C. All fees, costs and expenses in relation to the IPO or pre-IPO placement, as the case may be, (including without limitation, all

registration, filing, qualification and similar fees and all printers, attorneys' and accounting fees and disbursements) shall be borne by the Company and all the selling shareholders (in such IPO or pre-IPO placement) in proportion to the Equity Securities issued / offered by them in the IPO or pre-IPO placement.

D. Subject to applicable Law (including any statutory lock-in restrictions applicable to shares of a company), the Investor shall not be considered as "promoter" of the Company, nor shall any declaration or statement be made, either directly or indirectly, in the filings with regulatory or any Governmental Authority, offer documents or otherwise, which indicate or state that restrictions and obligations under applicable Laws applicable to a "promoter" apply to the Investor (including without limitation, any statutory lock-in restrictions applicable to shares held by a "promoter" with respect to any IPO). Provided that, upon Consummation of the IPO, the entire pre-IPO share capital of the Company, including the Equity Shares held by Investor which are not offered/ sold in the offer for sale in the IPO, will be subject to lock-in, to the extent not covered under the exceptions provided under the the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, for a period as may be required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

E. The Investor shall not be required to give any representation, warranty or indemnity whatsoever in connection with the IPO, other than as may be required by applicable Law or the IPO merchant banker or warranties that the Equity Securities, if any, offered for sale by the Investor in the IPO are free from encumbrances and that the Investor has good title to such Equity Securities.

F. If, pursuant to the provisions of applicable Law or the requirements / directions of any Governmental Authorities, including, any Stock Exchanges, all or any part of the provisions of this Agreement and/or the Charter Documents or any rights / privileges accorded to the Investor hereunder or thereunder are required to be, for the purposes of undertaking any IPO, amended / terminated / suspended, and if such IPO is not completed prior to the date specified in the Shareholders' Agreement, or such other time period as shall be mutually agreed for this purpose by the Promoters and the Investor, then all such rights and privileges of the Investor shall be immediately revived and shall once again apply and all such amendment / termination / suspension shall be reversed with immediate effect.

vi. Non-consummation of IPO: If the Effective Date 2 occurs on or prior to the Long Stop Date but the IPO and listing of the Equity Securities of the Company on the Stock Exchanges is not completed as per the timelines provided in the Shareholders' Agreement, then the Investor shall have the right by issuing a notice to the Promoters and the Company at any time thereafter ("**Private Sale Notice**"), to require the Promoters and the Company to conduct a Private Sale and the Promoters shall cause the Company to initiate and take all steps to complete a Private Sale in accordance with the terms of Article 9(b) below.

B) PRIVATE SALE:

i. Upon issuance of a Private Sale Notice in accordance with Article 9(a)(vi), or Article 9(c)(i)(B) or Article 9(c)(ii) below, the Promoter and the Company shall take all steps to cause a Private Sale. A "**Private Sale**" means a transaction involving sale of all of the Equity Securities of the Company held by the Investor to a Third Party purchaser ("**Third Party Purchaser**"). The Parties agree that the

Company and/ or the Promoters shall not be required to participate in the Private Sale.

ii. Any Third Party Purchaser purchasing the Equity Securities of the Investor shall deliver at such closing payment in full for such Equity Securities of the Investor.

iii. The Promoters and the Company shall be required to take all steps to complete the Private Sale within 6 (six) months of receipt of the Private Sale Notice by the Investor. The Investor shall provide all co-operation and assistance to the Promoters and the Company, as may be requested or necessary for the purpose of the Private Sale.

iv. All fees, costs and expenses in relation to the Private Sale (including without limitation, any stamp duty fees unless borne by the Third Party Purchaser) shall be borne by the Investor.

v. Without prejudice to the foregoing provisions, the Promoters and the Company hereby undertake to do all such acts, deeds, matters and things as may be customarily required from an existing shareholder including cooperating in the due diligence of the Company / Subsidiaries, and being present at meetings with the management of the Company, in connection with the exercise of rights by the Investor under this Article. Specifically, if the approval of the Promoter is required for any actions to be taken pursuant to exercise of rights by the Investor under this Article 9(b), notwithstanding anything to contrary, the Promoters shall vote in favour of any resolutions required for approving such action.

C) NON-CONSUMMATION OF THE SCHEME:

(i) Notwithstanding anything contained in this Agreement, if the Effective Date 2 does not occur on or prior to the Long Stop Date, then the Investor shall have the right at any time after the Long Stop Date:

A. to issue a notice to the Promoters and the Company ("**IPO Notice**") requiring the Promoters and the Company to conduct an IPO, and the Promoters shall cause the Company to undertake all steps in respect of the IPO; or

B. to issue Private Sale Notice requiring the Promoters and the Company to conduct a Private Sale and the Promoters shall cause the Company to initiate and take all steps to complete a Private Sale.

(ii) For avoidance of doubt, the Investor shall be entitled to issue either an IPO Notice or a Private Sale Notice. If the Investor elects to first issue an IPO Notice and the IPO and listing of the Equity Securities of the Company on the Stock Exchanges is not completed within 6 (six) months from the date of receipt of the IPO Notice ("**IPO Trigger Period**"), then the Investor shall have the right at any time after the IPO Trigger Period, to issue a Private Sale Notice requiring the Promoters and the Company to conduct a Private Sale and the Promoters shall cause the Company to initiate and complete a Private Sale within 6 (six) months from the date of receipt of the Private Sale Notice. If the Investor elects to first issue a Private Sale Notice as per Article 9(c)(i) and the Private Sale is not completed within 6 (six) months from the date of receipt of the Private Sale Notice ("**Private Sale Period**"), then the Investor shall have the right at any time after the Private Sale Period, to issue an IPO Notice and the Promoters and the Company shall make best endeavours to conduct an IPO within 6 (six) months from the date of receipt of the IPO Notice.

D) THE PROVISIONS OF ARTICLE 9 (A) (I) TO (V) SHALL APPLY *MUTATIS MUTANDIS* TO AN IPO, EXCEPT THAT (A) THE INVESTOR SHALL BE OBLIGED TO SELL AT LEAST 50% OF THE EQUITY SECURITIES HELD BY

IT AND/ OR ITS AFFILIATES IN THE COMPANY AS OF THE DATE OF FILING OF THE RED HERRING PROSPECTUS OF THE COMPANY WITH SEBI FOR SUCH IPO, INITIATED PURSUANT TO A NOTICE ISSUED BY THE INVESTOR UNDER THIS ARTICLE 9 (C); AND (B) THE TIMELINES SPECIFIED IN ARTICLE 9 (A) (I) TO (V) FOR AN IPO SHALL NOT BE APPLICABLE. THE PROVISIONS OF ARTICLE 9(B) SHALL APPLY MUTATIS MUTANDIS TO PRIVATE SALE INITIATED PURSUANT TO A NOTICE ISSUED BY THE INVESTOR UNDER THIS ARTICLE 9 (C).

10. "RIGHTS AND OBLIGATIONS OF THE INVESTOR"

All rights of the Investor contained in these Articles and the Shareholders Agreement shall fall away in their entirety in the event that the Shareholders Agreement is terminated in accordance with its terms, including upon the Investor together with its Affiliates having an Ownership of less than 4% and upon the occurrence of an IPO.

Other company specific clauses in the company's AOA

*"**Amount of Capital**" The authorized share capital of the Company shall be in accordance with Clause V of the Memorandum of Association of the Company with such rights, privileges and conditions respectively attached thereto as may be from time to time conferred by the Regulations of the Company, and the Company may in its general meeting from time to time increase or reduce its capital and divide the shares in the capital for the time being into several classes, consolidate or sub-divide the shares and attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and the Companies Act, 2013 and the rules issued thereunder and vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company and the legislative provisions for the time being in force in that behalf.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and subsisting contracts, which have been entered or are to be entered into by our Company which are, or may be, deemed material, will be attached to the copy of the Red Herring Prospectus and the Prospectus, as applicable, which will be delivered to the RoC for filing. Copies of the abovementioned documents and contracts, and also the documents for inspection referred to hereunder, may be inspected at the 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.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time, if so required, in the interest of our Company, or if required by the other parties, without reference to the Shareholders, subject to compliance with the provisions of the Companies Act and other applicable law.

A. Material Contracts for the Offer

1. Offer Agreement dated August 18, 2021 between our Company, the Selling Shareholders and the Managers.

2. Registrar Agreement dated August 16, 2021 between our Company, the Selling Shareholders and the Registrar to the Offer.

3. Monitoring Agency Agreement dated [●] entered into between our Company and the Monitoring Agency.

4. Cash Escrow and Sponsor Bank Agreement dated [●] between our Company, the Selling Shareholders, the Registrar to the Offer, the Managers, the Syndicate Members, the Escrow Collection Bank(s), Sponsor Bank, Public Offer Bank and the Refund Bank(s).

5. Share Escrow Agreement dated [●] between our Company, the Selling Shareholders and the Share Escrow Agent.

6. Syndicate Agreement dated [●] between our Company, the Selling Shareholders, the Managers and the Syndicate Members.

7. Underwriting Agreement dated [●] between our Company, the Selling Shareholders and the Underwriters.

B. Material Documents

1. Certified copies of the MoA and AoA of our Company, as amended.

2. Certificate of incorporation dated April 16, 1981 issued by Registrar of Companies, Maharashtra at Bombay in the name of 'Emcure Pharmaceuticals Private Limited'.

3. Fresh certificate of incorporation dated September 18, 2001 issued by the RoC to our Company for change in name of our Company to 'Emcure Pharmaceuticals Limited' pursuant to conversion from a deemed public company into a public company.

4. Resolution of the Board and Shareholders dated July 27, 2021 and July 30, 2021, respectively, in relation to the Offer and other related matters.

5. Resolution of our Board dated August 18, 2021 approving the DRHP.

6. Copies of the annual reports of our Company for the Financial Years 2021, 2020 and 2019.

7. The independent auditors' examination report dated August 12, 2021 of the Statutory Auditor, on our Restated Consolidated Financial Statements, included in this Draft Red Herring Prospectus.

8. The statement of possible special tax benefits dated August 12, 2021 issued by the Statutory Auditors.

9. Written consent of the Directors, Company Secretary and Compliance Officer, Promoters, the GCBRLMs, the BRLM, the Syndicate Members, Legal Counsel to our Company as to Indian law, and Legal Counsel to the Investor Selling Shareholder as to Indian law, Legal Counsel to Promoter Selling Shareholders, Promoter Group Selling Shareholder and Other Selling Shareholder, Legal Counsel to the Managers as to Indian Law, International Legal Counsel to the Managers, Registrar to the Offer, Independent Chartered Accountant, Escrow Collection Bank(s), Public Offer Bank(s), Refund Bank(s), Sponsor Bank, Bankers to our Company, as referred to in their specific capacities.

10. Written consent dated August 12, 2021 from BSR & Co. LLP, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) their examination report dated August 12, 2021 on our Restated Consolidated Financial Statements; and (ii) their report dated August 12, 2021 on the Statement of Possible Special Tax Benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act;

11. Our Company has received written consent dated August 7, 2021 from Madhav Shridhar Karandikar, Chartered Engineer, to include its name as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in his capacity as an independent chartered engineer and in respect of the certificate issued by him and information included in this Draft Red Herring Prospectus;

12. Composite Scheme of Arrangement amongst our Company and Avet Lifesciences Limited and their respective shareholders.

13. Agreement dated March 22, 2017 for appointing Satish Mehta as the managing director and chief executive officer of the Company.

14. Agreement dated May 28, 2018 for appointing Sunil Mehta as the whole-time director of the Company.

15. Agreement dated August 22, 2017 for appointing Mukund Gurjar as the whole-time director of the Company.

16. Agreement dated July 26, 2019 for appointing Namita Thapar as the whole-time director of the Company.

17. Shareholders' Agreement dated December 18, 2013 amongst our Company, Satish Mehta, Namita Thapar, Samit Mehta, Bhavana Mehta, Vikas Thapar, Pushpa Mehta, Sunil Mehta, Sanjay Mehta, Kamini Mehta, Sonali Mehta, Rutav Mehta, Rajnikant Mehta, Anvi Mehta, Manan Mehta, Neeraj Mehta and BC Investments IV Limited, amended by way of the amendment agreement dated November 9, 2020.

18. Amendment to the Shareholders' Agreement dated July 27, 2021 amongst our Company, Satish Mehta, Namita Thapar, Samit Mehta, Bhavana Mehta, Vikas Thapar, Pushpa Mehta, Sunil Mehta, Sanjay Mehta, Kamini Mehta, Sonali Mehta, Rutav Mehta, Rajnikant Mehta, Anvi Mehta, Manan Mehta, Neeraj Mehta and BC Investments IV Limited.

19. Consent from CRISIL dated August 7, 2021 and the report titled "CRISIL Research – Assessment of the global and Indian pharmaceuticals industry" released in Mumbai in August 2021 issued by CRISIL.

20. Consent letters from the Promoter Selling Shareholders, Promoter Group Selling Shareholders, Investor Selling Shareholder and Other Selling Shareholders, authorising their respective participation in the Offer.

21. Resolution dated August 2, 2021 passed by the board of directors of the Investor Selling Shareholder authorising its participation in the Offer.

22. Due diligence certificate dated August 18, 2021, addressed to SEBI from the Managers.

23. In – principle approvals dated [●] and [●] issued by BSE and NSE, respectively.

24. Tripartite agreement dated August 23, 2013 between our Company, NSDL and the Registrar to the Company.

25. Tripartite agreement dated June 26, 2013 between our Company, CDSL and the Registrar to the Company.

26. SEBI observation letter bearing reference number [●] and dated [●].

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines / regulations issued by the Government of India or the guidelines/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 SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

_____

Berjis Desai
Chairman and Independent Director

Place: Mumbai

Date: August 18, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines / regulations issued by the Government of India or the guidelines/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 SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

_____

Satish Mehta
Managing Director and Chief Executive Officer

Place: Pune

Date: August 18, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines / regulations issued by the Government of India or the guidelines/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 SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

_____

Sunil Mehta
Whole-time Director

Place: Pune

Date: August 18, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines / regulations issued by the Government of India or the guidelines/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 SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

_____

Namita Thapar
Whole-time Director

Place: Pune

Date: August 18, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines / regulations issued by the Government of India or the guidelines/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 SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

_____

Mukund Gurjar
Whole-time Director

Place: Pune

Date: August 18, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines / regulations issued by the Government of India or the guidelines/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 SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

_____

Shreekant Bapat
Independent Director

Place: Pune

Date: August 18, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines / regulations issued by the Government of India or the guidelines/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 SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

_____

Palamadai Jayakumar
Independent Director

Place: Mumbai

Date: August 18, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines / regulations issued by the Government of India or the guidelines/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 SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Samonnoi Banerjee
Non-Executive Director (Nominee)

Place: Mumbai

Date: August 18, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines / regulations issued by the Government of India or the guidelines/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 SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

_____

Shailesh Ayyangar
Non-Executive Director

Place: Mumbai

Date: August 18, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines / regulations issued by the Government of India or the guidelines/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 SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

_____

Vijay Gokhale
Independent Director

Place: Pune

Date: August 18, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines / regulations issued by the Government of India or the guidelines/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 SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

_____

Vidya Yeravdekar
Independent Director

Place: Pune

Date: August 18, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines / regulations issued by the Government of India or the guidelines/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 SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

_____

Hitesh Jain
Independent Director

Place: Mumbai

Date: August 18, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the guidelines/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 SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

_____

Tajuddin Shaikh
Chief Financial Officer

Place: Pune

Date: August 18, 2021

DECLARATION BY BC INVESTMENTS IV LIMITED

BC Investments IV Limited confirms and certifies that all statements, disclosures and undertakings made or confirmed by it in this Draft Red Herring Prospectus specifically in relation to itself, as one of the Selling Shareholders, and its portion of the Offered Shares, are true and correct. BC Investments IV Limited assumes no responsibility for any other statements, disclosures and undertakings, including any statements, disclosures and undertakings made by, or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

SIGNED FOR AND ON BEHALF OF BC INVESTMENTS IV LIMITED

Name: Numesh Nunkoo

Designation: Director

Date: August 18, 2021

Place: Mauritius

DECLARATION BY GIRISH DESAI, AS THE SELLING SHAREHOLDER

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made by it in this Draft Red Herring Prospectus, solely and specifically in relation to itself and its respective portion of the Equity Shares being sold in the Offer for Sale, are true and correct. The undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any expert or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY THE SELLING SHAREHOLDER

Name: Girish Desai
Place: Mauritius
Date: August 18, 2021

DECLARATION BY JAYDEEP DESAI, AS THE SELLING SHAREHOLDER

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made by it in this Draft Red Herring Prospectus, solely and specifically in relation to itself and its respective portion of the Equity Shares being sold in the Offer for Sale, are true and correct. The undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any expert or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY THE SELLING SHAREHOLDER

Name: Jaydeep Desai
Place: California, USA
Date: August 18, 2021

DECLARATION BY SUREKHA SHAH, AS THE SELLING SHAREHOLDER

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made by it in this Draft Red Herring Prospectus, solely and specifically in relation to itself and its respective portion of the Equity Shares being sold in the Offer for Sale, are true and correct. The undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any expert or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY THE SELLING SHAREHOLDER

Name: Surekha Shah
Place: Philadelphia, USA
Date: August 18, 2021

DECLARATION BY UMAKANT SHAH, AS THE SELLING SHAREHOLDER

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made by it in this Draft Red Herring Prospectus, solely and specifically in relation to itself and its respective portion of the Equity Shares being sold in the Offer for Sale, are true and correct. The undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any expert or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY THE SELLING SHAREHOLDER

Name: Umakant Shah
Place: Philadelphia, USA
Date: August 18, 2021

DECLARATION BY PROMOTER SELLING SHAREHOLDERS, PROMOTER GROUP SELLING SHAREHOLDERS AND OTHER SELLING SHAREHOLDERS EXCEPT FOR GIRISH DESAI, JAYDEEP DESAI, SUREKHA SHAH AND UMAKANT SHAH

Each of the Promoter Selling Shareholder, Promoter Group Selling Shareholders and Other Selling Shareholders except for Girish Desai, Jaydeep Desai, Surekha Shah and Umakant Shah, severally and not jointly, certifies that all statements and undertakings made by it in this Draft Red Herring Prospectus, solely and specifically in relation to itself and its respective portion of the Equity Shares being sold in the Offer for Sale, are true and correct. Each of the Promoter Selling Shareholder, Promoter Group Selling Shareholders and Other Selling Shareholders except for Girish Desai, Jaydeep Desai, Surekha Shah and Umakant Shah assumes no responsibility for any of the statements made by the Company or any expert or any other person(s) in this Draft Red Herring Prospectus.

SIGNED ON BEHALF OF THE PROMOTER SELLING SHAREHOLDER, PROMOTER GROUP SELLING SHAREHOLDERS AND OTHER SELLING SHAREHOLDERS EXCEPT FOR GIRISH DESAI, JAYDEEP DESAI, SUREKHA SHAH AND UMAKANT SHAH BY ITS DULY CONSTITUTED POWER OF ATTORNEY HOLDER

Name: B. Renganathan
Place: Pune
Date: August 18, 2021

ANNEXURE - A

Sr. No.	Names of Promoter Group Selling Shareholders	Number of Equity Shares offered by Promoter Group Selling Shareholders
1.	Pushpa Mehta	Up to 1,250,000
2.	Bhavana Mehta[(1)]	Up to 631,400
3.	Samit Mehta	Up to 550,000
4.	Kamini Mehta	Up to 350,000
5.	Namita Thapar	Up to 268,600
6.	Sanjay Mehta	Up to 250,000
7.	Surekha Shah	Up to 100,000
8.	Smita Paresh Shah	Up to 65,000
9.	Swati Shah[(2)]	Up to 65,000
10.	Shaila Gujar	Up to 65,000
11.	Suhasinee Shah[(3)]	Up to 65,000
12.	Girish Desai	Up to 60,000
13.	Ranjanakumari Desai	Up to 15,000
	Total	Up to 3,735,000

Sr. No.	Names of Other Selling Shareholders	Number of Equity Shares offered by Other Selling Shareholders
1.	Arunkumar Khanna	Up to 600,000
2.	Sonali Mehta	Up to 350,000
3.	Mukund Gurjar	Up to 200,000
4.	Prakash Kumar Guha	Up to 125,000
5.	Shreekant Bapat[(4)]	Up to 125,000
6.	Berjis Desai	Up to 122,856
7.	Smita Dilip Shah	Up to 116,000
8.	Humayun Dhanrajgir[(5)]	Up to 102,000
9.	Umakant Shah	Up to 100,000
10.	Rustom Soonawala[(6)]	Up to 94,500
11.	Usha Shah	Up to 90,000
12.	Jaydeep Desai[(7)]	Up to 60,000
13.	Jashvantlal Shah	Up to 30,000
14.	Saumil Shah[(8)]	Up to 30,000
15.	Shriram Balasubramanian	Up to 25,000
16.	Vikas Thapar	Up to 20,000
17.	Hitesh Jain	Up to 13,000
	Total	Up to 2,203,356

Notes:

(1) Includes 131,400 Equity Shares jointly held by Bhavana Mehta with Satish Mehta, Bhavana Mehta being the first holder.

(2) Entire shareholding jointly held by Swati Shah with Hetal Shah, Swati Shah being the first holder.

(3) Entire shareholding jointly held by Suhasinee Shah with Saumil Shah, Suhasinee Shah being the first holder.

(4) Entire shareholding jointly held by Shreekant Bapat with Alaka Bapat, Shreekant Bapat being the first holder.

(5) Entire shareholding jointly held by Humayun Dhanrajgir with Jini Dhanrajgir, Humayun Dhanrajgir being the first holder.

(6) Entire shareholding jointly held by Rustom Soonawala with Kamal Neville Tata and Feroze Rustom Soonawala, Rustom Soonawala being the first holder.

(7) Entire shareholding jointly held by Jaydeep Desai with Shobhna Desai, Jaydeep Desai being the first holder.

(8) Entire shareholding jointly held by Saumil Shah with Suhasinee Shah, Saumil Shah being the first holder.