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ACCRETION PHARMACEUTICALS LIMITED

Accretion Pharmaceuticals was incorporated in the year 2012, our Promoters Mr. Harshad Nanubhai Rathod, Mr. Vivek Ashok Kumar Patel, Mr. Mayur Popatlal Sojitra and Mr. Hardik Mukundbhai Prajapati, came together to establish a pharmaceutical manufacturing unit, with vision to provide health care products that match international quality standards at competitive price. Thus, the foundation of "Accretion Pharmaceuticals" was laid down, which was started as a Partnership Firm under the Partnership Act, 1932 ("Partnership Act") in the name and style of "M/s Accretion Pharmaceuticals", pursuant to a deed of partnership dated December 18, 2012. Our manufacturing facility which is currently located at 28 & 29 Xcelon Ind Park 1, B/H, Intas Pharmaceuticals, Vasna Chacharvadi, Ahmedabad, Sanand, Gujarat 382213, commenced its manufacturing operations in year 2014. Thereafter, pursuant to a resolution passed by the partners of M/s Accretion Pharmaceuticals on October 16, 2023, the Partnership Firm was converted into a Limited Company under Part I (Chapter XXI) of the Companies Act, 2013 in the name of "Accretion Pharmaceuticals Limited" and a certificate of incorporation dated November 29, 2023 was issued by the Registrar of Companies, Central Registration Centre, for and on behalf of the jurisdictional Registrar of Companies.

Corporate Identity Number (CIN) of the Company Is U21004GJ2023PLC146545

Regd. Office: 29 Xcelon Ind Park 1, B/H, Intas Pharmaceuticals, Vasna Chacharvadi, Ahmedabad, Sanand, Gujarat, India, 382213;

Tel No.: +91-97148 82929; **E-mail:** care@accretionpharma.com; **Website:** <http://www.accretionpharma.com>

Contact Person: Ms. Bhavika Dhaval Makadia, Company Secretary & Compliance Officer

PROMOTERS: MR. HARSHAD NANUBHAI RATHOD, MR. VIVEK ASHOK KUMAR PATEL, MR. MAYUR POPATLAL SOJITRA AND MR. HARDIK MUKUNDBHAI PRAJAPATI

ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS: NOTICE TO THE INVESTORS ("THE ADDENDUM")

INITIAL PUBLIC OFFER OF UPTO 30,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE "EQUITY SHARES") OF ACCRETION PHARMACEUTICALS LIMITED ("OUR COMPANY" OR "ACCRETION" OR "THE ISSUER") AT AN ISSUE PRICE OF RS. [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO RS. [●] LAKHS ("PUBLIC ISSUE") OUT OF WHICH [●] EQUITY SHARES OF FACE VALUE OF RS. 10 EACH, AT AN ISSUE PRICE OF RS. [●] PER EQUITY SHARE FOR CASH, AGGREGATING RS. [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E., ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF RS. 10 EACH, AT AN ISSUE PRICE OF RS. [●] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO RS. [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE [●] % AND [●] % RESPECTIVELY OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN ALL EDITION OF [●], AN ENGLISH NATIONAL DAILY NEWSPAPER AND ALL EDITION OF [●] AN HINDI NATIONAL DAILY NEWSPAPER, AND [●] EDITION OF [●], A GUJARATI REGIONAL NEWSPAPER (GUJARATI BEING THE REGIONAL LANGUAGE OF GUJARAT WHERE OUR REGISTERED OFFICE OF THE COMPANY IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE EMERGE PLATFORM OF NSE ("NSE EMERGE") FOR THE PURPOSES OF UPLOADING ON THEIR WEBSITE.

Potential Bidders may note the changes and/or amendments in the following:

1. Section - Summary of the Offer Document, Section - Risk Factors, Section - General Information, Chapter - Objects of the Issue, Chapter - Business Overview, provided herein below as part of Addendum.

The above is to be read in conjunction with the Draft Red Herring Prospectus and accordingly their references in the Draft Red Herring Prospectus stand amended pursuant to this Addendum. Please note that the changes pursuant to this Addendum will be appropriately included in the Red Herring Prospectus, as and when filed with the ROC, the SEBI and the Stock Exchange. All capitalised terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus.

For and on Behalf of Accretion Pharmaceuticals Limited

Sd/-
(Vivek Ashok Kumar Patel)
Managing Director
DIN: 09130357

Date: March 12, 2025
Place: Ahmedabad

LEAD MANAGER TO THE ISSUE



Jawa Capital Services Private Limited
CIN: U74140DL2005PTC137680
Plot No. 93, First Floor, Pocket 2, Near DAV School, Jasola, New Delhi-110025
Tel No.: +91-11-47366600; **E-mail:** mbd@jawacapital.in
Investor Grievance Email: investorsrelation@jawacapital.in
Website: www.jawacapital.in
Contact Person: Mr. Taranveer Singh/ Mr. Sajal Gupta
SEBI Registration No.: MB/INM000012777

REGISTRAR TO THE ISSUE



Kfin Technologies Limited
CIN: L72400TG2017PLC117649
Selenium, Tower B, Plot No 31 and 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Telangana, 500032
Tel No.: +91 40 6716 2222/18003094001, **E-mail:** apl.ipo@kfintech.com
Investor Grievance Email: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: Mr. M. Murali Krishna
SEBI Registration No.: INR000000221

ISSUE PROGRAMME

ISSUE OPENS ON : [●]

ISSUE CLOSURES ON : [●]

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SECTION II: SUMMARY OF THE OFFER DOCUMENT

1. The table appearing under the head “Objects of the Issue”, is updated by inclusion of amount of working capital requirement.

Objects of the Issue

Our Company proposes to utilize the funds which are being raised through this Issue towards the below mentioned objects and gain benefits of listing on NSE-EMERGE:

S. No.	Particulars	Amount to be deployed (In Rs. Lakh)
1.	Capital expenditure towards purchase of new equipment/ machineries, etc.	269.73
2.	Capital expenditure towards upgradation of existing manufacturing facility	465.57
3.	Repayment/prepayment of certain borrowings availed by our Company;	160.06
4.	Funding working capital requirements	Up to 1468.00
5.	General Corporate Purpose	[•]
	Total	[•]

For details, see “Objects of the Issue” on page 103.

SECTION III: RISK FACTORS

The following insertions and/or amendments are carried out in the Section III: Risk Factors:

- A. New Risk Factor No. 1 is inserted, further old risk factor no. 1 is shifted to risk factor no. 10. The text of new risk factor no. 1 is provided hereunder:**

1. A significant portion of our revenue is derived from exports, and any decline in export profitability may adversely impact our overall financial performance.

A substantial share of our revenue is generated from export sales, while our domestic sales contribute a comparatively smaller portion. Our profitability is largely influenced by factors affecting the export market, including fluctuations in foreign exchange rates, changes in international trade policies, regulatory requirements in different jurisdictions, geopolitical uncertainties, and competitive pricing pressures. Any reduction in export demand, increase in production or compliance costs, or unfavorable currency movements could negatively impact our profit after tax (PAT) and PAT margins.

Furthermore, if export profitability declines and we are unable to scale up domestic sales or maintain current margins, our overall financial performance and operational stability may be adversely affected. A significant reduction in PAT margins could also impact our ability to reinvest in growth initiatives, meet financial obligations, and sustain long-term business viability.

- B. Risk factor No. 16 is shifted to risk factor no. 7 and the subsequent risk factors are subsequently re-numbered. The text of the risk factor no. 7 is provided below:**

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

Our ability to accurately forecast demand for our products and efficiently manage inventory is crucial to the health of our business. As a CDMO operating in the pharmaceutical industry, we maintain an adequate inventory of raw materials, work-in-progress and finished goods to account for the demand for our products. Set forth below are details of our inventories as of March 31, 2024, March 31, 2023, March 31, 2022 and for the period April 01, 2024 to July 20, 2024:

Particulars	As at July 20, 2024		As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	Rs. In Lakhs	% of total assets	Rs. In Lakhs	% of total assets	Rs. In Lakhs	% of total assets	Rs. In Lakhs	% of total assets
Inventories	1438.15	49.01%	1447.58	53.52%	776.39	37.73%	693.28	39.08%

For details, see “Restated Financial Information” on page 243.

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

- C. New Risk Factor No. 8 is inserted after risk factor no. 7 and the subsequent risk factors are subsequently re-numbered. The text of new risk factor no. 8 is provided hereunder:**

8. There was a Criminal litigation against our promoters cum directors and we are not sure the same shall not be refiled by the concerned authority. In the event it is refiled, the interest of the promoters may divert from the business of the Company, which may adversely affect the business of the Company.

Our promoters cum Directors Mr. Mayur Popatlal Sojitra and Mr. Harshad Nanubhai Rathod had previously been tried by the Additional Chief Judicial Magistrate, Sanand under provisions of The Juvenile Justice (Care and Protection of Children) Act, 2015 and Child Labour (Prohibition and Regulation) Act, 1986 on the basis of a chargesheet filed by the concerned Police Station. The matter had later been disposed off by the concerned court of jurisdiction on the grounds that the concerned court does not have any jurisdiction over the matter as the present criminal case needs to be transferred to the Children Court under the Juvenile Justice (Care and Protection of Children) Act, 2015, and the case has been ordered to be transferred to the concerned court through Hon'ble Principal District & Sessions Judge vide order dated May 08, 2024. Although no case has been filed by the concerned police station with the respective court as directed, we are not sure that no case shall be filed against the relevant parties in the matter. In the event the concerned police station files the case against our afore mentioned Promoters Cum Directors, at a later dated, any adverse decision in such legal proceedings may impact our business and goodwill of the Company. For further details in relation to legal proceedings involving our Company, Promoters, Directors and Group Company, kindly refer the chapter titled "Outstanding Litigation and Material Developments" on page 302 of this Draft Red Herring Prospectus.

D. New Risk Factor No. 9 is inserted after risk factor no. 8 and the subsequent risk factors are subsequently re-numbered. The text of new risk factor no. 9 is provided hereunder:

9. Our business operations are working capital intensive, and any inability to meet our working capital requirements may adversely impact our financial condition and growth prospects.

Our business, being in the pharmaceutical industry, requires significant working capital investment, primarily due to the nature of our operations, including procurement of raw materials, manufacturing processes, regulatory compliance, and extended credit cycles. We maintain substantial inventory levels to ensure a steady supply of products and to meet fluctuating demand. Additionally, delays in receivables collection from customers, along with upfront payments to suppliers, may further strain our liquidity position.

Any mismatch in our working capital cycle, inability to secure sufficient financing, or delays in recovering outstanding dues could adversely impact our cash flows, thereby affecting our ability to meet operational expenses, invest in growth initiatives, and fulfill our financial obligations. If we fail to efficiently manage our working capital requirements, our business, results of operations, and overall financial condition could be materially and adversely affected.

E. Risk factor No. 12, which is re-numbered as risk factor no. 16, is updated. The text of the updated risk factor is provided hereunder:

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

Our inability to collect receivables and instances of payment default by our clients have the potential to diminish our profits and affect our cash flows. We offer clients specific credit periods as part of our standard payment terms. Although we typically assess and limit the credit extended to clients based on their financial standing and payment history, there remains a risk that clients may face financial difficulties, rendering them unable to fulfil their payment obligations. Consequently, our estimates may prove to be inaccurate, resulting in financial challenges. Our trade receivables for the period ended July 20, 2024 stood at Rs. 717.98 Lakhs which is 60.39% of the Revenue generated by the Company during the said period. For details, see "Restated Financial Statements" beginning on page 243.

Any escalation in our receivable turnover days or instances of write-offs or inadequacy in provisions for doubtful receivables could adversely affect our business, results of operations, financial condition and cash flows. we have not encountered such instances in the past, we cannot assure you that we will not face any instances inability to collect receivables or payment defaults by or clients.

F. Risk factor No. 14, re-numbered as risk factor no. 18 is replaced with following:

18. Company is generating revenues through its 3 major market segments, any inherent risk associated with the particular market segment, could impact the business operations and financial performance of our Company.

The company generates is revenue through three market segments viz. **Direct Export Sales, Domestic Sales, and Sales on Contract Manufacturing/Loan License.** Each market segment has unique risk exposures that could impact the Company's business operations and financial performance.

- **Direct Export Sales:** Under this market Segment, the Company makes sales directly to the international clients, exposing the Company to foreign exchange fluctuations, changes in international trade policies, and geopolitical risks. Any instability in the target markets or shifts in trade agreements or any political unrest, and situations like war and natural calamities effecting the target market, could disrupt demand or reduce our profit margins. Additionally, any changes in the compliance framework of the target market, may lead to increased operational costs or delays in sales as we would be required to comply with the updated legal framework in order to continue servicing the international market.
- **Domestic Sales:** Sales within the domestic market are influenced by local economic conditions, consumer demand, and competitive pressures. A prolonged reduction in domestic demand could challenge the company's ability to maintain stable revenue from this market segment.
- **Sales on Contract Manufacturing/Loan License:** Under the contract manufacturing or loan licence market segment, the Company sells its products to a Merchant Exporter, who in turn sells it onwards. This type of arrangement increases our dependency on the Merchant Exporters. Since we generally do not have exclusive contracts with these Merchant Exporters, these Merchant Exporters may choose to source the products from any other pharmaceutical manufacturing company, which may be providing better margins on its products, Further, there may be restrictive clauses in our agreements with our Merchant Exporters, owing to which we may not be in a position to directly sell our products to the countries where the sales are done through Merchant Exporter. Additionally, any changes in government policies or GST regulations affecting Merchant Exporters could indirectly impact revenue from this market segment.

The vertical wise revenue bifurcation of the Company, for the period ended July 20, 2024 and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, is provided hereunder:

(Rs in Lakhs)

<u>Year</u>	<u>Stub period ended on 20th July 2024</u>	<u>Period ended on 31-03-2024</u>	<u>Period ended on 31-03-2023</u>	<u>Period ended on 31-03-2022</u>
<u>Particulars</u>	-	-	-	-
<u>Direct Export Sales</u>	<u>21.82</u>	<u>249.34</u>	<u>5.17</u>	<u>-</u>
<u>Domestic Sales</u>	<u>424.71</u>	<u>993.85</u>	<u>1,727.36</u>	<u>1,600.95</u>
<u>Sales on Contract Manufacturing/ Sales Loan License*</u>	<u>740.57</u>	<u>2,123.24</u>	<u>1,205.90</u>	<u>628.25</u>
<u>Total Sales</u>	<u>1,187.10</u>	<u>3,366.43</u>	<u>2,938.43</u>	<u>2,229.20</u>

*Sales on Contract Manufacturing/Loan License: Sales to Exporters who registered as Merchant Exporter under GST.

(extracts from the certificate dated October 15, 2024, issued by M/s V S S B & Associates, Chartered Accountants, Statutory Auditors of our Company)

- G. New Risk Factor No. 20 is inserted after risk factor no. 19 and the subsequent risk factors are subsequently re-numbered. The text of new risk factor no. 20 is provided hereunder:

20. We are dependent on third party transportation and logistics service providers for delivery of our products to our customers as well as raw materials to our Manufacturing Facilities. Any delay in delivery of our products or raw materials or increase in the charges of these entities could adversely affect our business, results of operations and financial condition. We also may be exposed to the risk of theft, accidents and/or loss of our products in transit.

Our manufacturing operations are dependent on timely and cost-efficient transportation of raw materials to our facilities and of the products we manufacture to our customers. We transport our raw materials and our finished products by air, road and sea.

Depending on the terms of supply, the raw material is delivered by our suppliers on to pay or paid basis or we rely on third party logistic companies and freight forwarders for the delivery of our raw materials. We do not have formal contractual relationships with such logistic companies and freight forwarders. Any disruption in services by such third-party logistic companies and freight forwarders could impact our manufacturing operations and delivery of our finished products to our customers. Further, transportation strikes could also have an adverse effect on supplies and deliveries to and from our customers and suppliers. Although during the period ended July 2024 and FY 2024, 2023, and 2022, we did not face any significant disruptions from third party transportation and logistics service providers, any disruptions of logistics in the future could impair our ability to deliver our products on time, which could materially and adversely affect our business, results of operations and financial condition. Further, depending on the terms of sales, we also rely on third party logistic companies to deliver our finished products on to pay or paid basis. For exports, we majorly use waterways for transportation and logistics. We sell our finished products on a cost, insurance and freight basis (CIF) or freight on board basis (FOB). Our freight forwarders co-ordinate with the shipping line to file and release the necessary bills of lading or waybills. We are subject to the risk of increases in freight costs. If we cannot fully offset any increases in freight costs through increases in the prices for our products, we would experience lower margins. In addition, any increase in export tariffs would increase our operating expenses which in turn may adversely affect our business, results of operations and financial condition.

Furthermore, we are exposed to the risk of theft, accidents and/or loss of our products in transit. While we believe we have adequately insured ourselves against such risk, we cannot assure you that our insurance will be sufficient to cover the losses arising due to such theft, accidents and/or loss of our products in transit. While there have been no material instances in the past five (5) years of any major delay in delivery of their products or raw materials or increase in the charges by third party transportation and logistics service providers or any theft, accidents and/or loss of our products in transit or loss not covered by insurance or transportation strikes that has adversely affected their business, results of operations and financial condition, we cannot assure you that such incidents will not occur in future. Any such acts could result in serious liability claims (for which we may not be adequately insured) which could adversely affect our business, results of operations and financial condition. Any losses or claims from damage containers, not covered by our insurance, could adversely affect our business, results of operations and financial condition.

- H. Risk factor No. 19, which is re-numbered as risk factor no. 23 is updated. The text of the updated risk factor is provided hereunder:

23. There have been instances of delay in filing of certain e-forms of our Company in compliance with the Companies Act, 2013. Consequently, we may be subject to regulatory actions and penalties for such delays which may adversely impact our business and financial condition.

There have been instances of delay and incorrect filing of certain e-forms. These include e-form filings with the MCA in relation to incorporation of the Company and other regulatory filings as stipulated under the provisions of the Companies Act, 2013. Details of the delayed and incorrect filing by the company are as follows:

Delayed Filing:

S. No.	Form	Purpose	Date of passing Resolution	Due Date	Date of filing	Additional Fees
1	ADT-1	Appointment of First Auditor of the Company	30-11-2023	15-12-2023	17-06-2024	7200
2	ADT-1	Appointment of Auditor in casual vacancy	17-07-2024	01-08-2024	08-08-2024	600
3	PAS – 6	<u>Reconciliation of Share Capital Audit Report (For Half year ended March 31, 2024)</u>	-	<u>30-05-2024</u>	<u>22-10-2024</u>	<u>6000</u>
Total Additional Fees						<u>13800</u>

Further, the instances wherein the Company has made incorrect filings include MGT-7 for FY 2023-24, wherein incorrect classification of the Promoters was done, and PAS-6 for half year ended March 31, 2024.

Although the Company has made correct filing of MGT-7 for FY 2023-24 and PAS – 6 for half year ending 31st March 2024, with the Registrar of Companies along with additional fees. We cannot assure you that such delays and incorrect filing will not happen in the future and that our Company will not be subject to any action, including monetary penalties by statutory authorities on account of any inadvertent discrepancies in, or non-availability of, or delays in filing of, any of its secretarial records and filings, which may adversely affect our reputation.

- I. Risk factor No. 36, which is re-numbered as risk factor no. 40, is updated. The text of the updated risk factor is provided hereunder:

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

We have entered into transactions with our Promoter and other related parties. The gist of the related party transactions entered into by the Company, for the period ended July 20, 2024 and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, is provided herein below:

Particulars	<u>For the period ended July 20, 2024</u>		<u>FY 2023-24</u>		<u>FY 2022-23</u>		<u>FY 2021-22</u>	
	<u>Amount in Rs. Lakhs</u>	<u>%</u>	<u>Amount in Rs. Lakhs</u>	<u>%</u>	<u>Amount in Rs. Lakhs</u>	<u>%</u>	<u>Amount in Rs. Lakhs</u>	<u>%</u>
<u>Sales</u>	<u>41.32</u>	<u>3%*</u>	<u>45.12</u>	<u>1%*</u>	<u>0</u>	<u>NA*</u>	<u>0</u>	<u>NA*</u>
-	-	-	-	-	-	-	-	-
<u>Purchases</u>	<u>19.23</u>	<u>3%**</u>	<u>34.56</u>	<u>1%**</u>	<u>0</u>	<u>NA**</u>	<u>0</u>	<u>NA**</u>
-	-	-	-	-	-	-	-	-
<u>Salary</u>	<u>8.0</u>	<u>8%***</u>	<u>6.0</u>	<u>2%***</u>	<u>28.0</u>	<u>11%***</u>	<u>26.00</u>	<u>13%***</u>
-	-	-	-	-	-	-	-	-

* As a % of the total turnover for the reported period

**** As a % of the total purchases for the reported period**

***** As a % of the employee benefit expenses for the reported period**

For a list of related parties, please see Note 30 of the Chapter titled “Financial and other Information” beginning on page 266 of this Draft Red Herring Prospectus. While all such transactions have been conducted on an arm’s length basis and have been done in compliance with the applicable regulatory requirements prescribed under the Companies Act, 2013 and other applicable laws, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. Further, if the company decides to enter into related party transaction in the future the same shall be in compliance with the applicable provisions of the Companies Act, 2013 and other applicable laws, rules and regulations, including compliance with the regulations stipulated by SEBI.

There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise.

J. Risk factor No. 41, which is re-numbered as risk factor no. 45, is updated. The text of the updated risk factor is provided hereunder:

45. We are subject to foreign currency exchange rate fluctuations which could have a material and adverse effect on our results of operations and financial conditions.

Our company’s 100% of the revenue is not derived from India. We export our products to geographies outside of India. We receive revenue in foreign currency from such operations. Any changes in value of currencies with respect to the rupee may cause fluctuations in our operating results expressed in rupees.

The company generates its revenue through three market segments viz. Direct Export Sales, Domestic Sales, and Sales on Contract Manufacturing/Loan License.

Following is the table depicting revenue bifurcation of direct sales, loan license and/or contract manufacturing:

Revenue Bifurcation between 3 market segments

<u>(Rs.in Lakhs)</u>				
<u>Particulars</u>	<u>Stub period ended on 20th July 2024</u>	<u>Period ended on 31-03-2024</u>	<u>Period ended on 31-03-2023</u>	<u>Period ended on 31-03-2022</u>
<u>Direct Export Sales</u>	<u>21.82</u>	<u>249.34</u>	<u>5.17</u>	<u>-</u>
<u>Domestic Sales</u>	<u>424.71</u>	<u>993.85</u>	<u>1,727.36</u>	<u>1,600.95</u>
<u>Sales on Contract Manufacturing/ Sales Loan License*</u>	<u>740.57</u>	<u>2,123.24</u>	<u>1,205.90</u>	<u>628.25</u>
<u>Total Sales</u>	<u>1187.10</u>	<u>3,366.43</u>	<u>2,938.43</u>	<u>2,229.20</u>

*Sales on Contract Manufacturing/Loan License: Sales to Exporters who registered as Merchant Exporter under GST.

(Extracts from the certificate dated October 15, 2024, issued by M/s V S S B & Associates, Chartered Accountants, Statutory Auditors of our Company)

The exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in future. Fluctuations in the exchange rates may affect our company to the extent of cost of services sold in foreign currency terms. Any adverse or unforeseen fluctuations with respect to the unhedged exchange rate of any foreign currency for Indian Rupees may affect our Company’s results of operations.

- K. Risk factor No. 50, which is re-numbered as risk factor no. 54, is updated. The text of the updated risk factor is provided hereunder:

54. Any disproportionate increase in labour costs including increase in wage/salary demand, labour unrest, labour strike or labour claims arising from accidents may adversely affect our business operations and financial conditions.

Our increasing business operations may require our employee strength to increase in the future. In the past our business has not experienced any labour unrest, labour strike or labour claims arising from accidents, but there is no assurance that it will not experience the same at any time in the future. Also, there is a possibility that the labour costs increase disproportionately due to increase in wage/salary demand. In this event, if our Company is unable to pass on the increased costs to our customers, our business operations and financial conditions may be adversely affected.

- L. Risk factor No. 53 as appearing on page No. 54 of Draft Red Herring Prospectus is deleted. The text of the deleted risk factor is provided hereunder:

~~53. Discrepancy in Name Across Official Documents of one of the member of the Promoter Group.~~

~~There is an inconsistency in the name of one of the members of Promoter Group, Ms. Dudhagra Jaynaben Dilipbhai, as reflected in her official documents. While her name appears as "Dudhagra Jaynaben Dilipbhai" in Aadhar card, it is recorded as "Sojitra Japnaben Popatlal" in PAN card. This discrepancy is attributable to a typographical and clerical error. Both names refer to the same individual Ms. Dudhagra Jaynaben Dilipbhai, who is a relative of one of the Promoters, Mr. Mayur Popatlal Sojitra.~~

~~The necessary corrective measures are underway to ensure uniformity across all records. This discrepancy is not anticipated to have any material impact on the Company or its business operations.~~

- M. New Risk Factor No. 57 is inserted after re-numbered risk factor no. 56 (which was earlier risk factor 52) and the subsequent risk factors are subsequently re-numbered. The text of new risk factor no. 57 is provided hereunder:

57. Our Company has availed Unsecured Loans, and any demand for Repayment or Inability to Secure Further Financing Could Adversely Affect Our Financial Condition.

Our company has availed unsecured loans, these loans may be subject to repayment demands at short notice or as per the agreed terms. Any demand for immediate repayment could put pressure on our cash flows and impact our ability to meet other financial obligations.

Furthermore, our reliance on unsecured loans exposes us to risks related to interest rate fluctuations, lender discretion, and limited access to additional financing in the future. If we are unable to refinance these loans or secure alternative funding on favorable terms, our liquidity, financial condition, and business operations may be materially and adversely affected.

- N. New Risk Factor No. 58 is inserted after newly inserted risk factor no. 57 and the subsequent risk factors are subsequently re-numbered. The text of new risk factor no. 58 is provided hereunder:

58. The Promoters will hold significant part of the equity shares of the Company post the proposed Issue and will continue to control the Company.

After the Issue is completed, our Promoters will collectively own up to 73.14% (based on the tentative number of shares proposed to be issued) of the Company's equity shares. As a result, our Promoters will have the ability to determine the outcome of all actions requiring the approval of shareholders. The interests of our Promoters may conflict with the interest of the other investors, and investors may not agree with the way in which the Promoters exercise their voting rights and powers. This could delay, defer or prevent a change in control of the Company, impede a merger, consolidation, take-over or other business combination involving the Company, discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company.

- O. New Risk Factor No. 59 is inserted after newly inserted risk factor no. 58 and the subsequent risk factors are subsequently re-numbered. The text of new risk factor no. 59 is provided hereunder:

59. Loans availed by our Company has been secured on personal properties and guarantees of our Directors, Promoters, Promoter Group, Group Companies and third party. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected in case of invocation of any personal guarantees provided by our Directors, Promoters, Promoter Group, Group Companies and third party.

Loans availed by our Company has been secured on personal properties and guarantees of our Directors, Promoters, Promoter Group, Group Companies and third party. In the event of default on such borrowings, these personal guarantees may be invoked by our lenders thereby adversely affecting our Promoters' ability to manage the affairs of our Company and this, in turn, could adversely affect our business, prospects, financial condition and results of operations. Further, if any of these personal guarantees are revoked by our Directors, Promoters, Promoter Group, Group Companies and third party, we may also not be successful in procuring alternate securities or guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. For further details regarding loans availed by our Company, please refer "Financial Indebtedness" on page 299 of this Draft Red Herring Prospectus.

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SECTION - V - GENERAL INFORMATION

The following insertions and/or amendments are carried out in the Section V: General Information:

- Details of changes in auditor, appearing on page 75-76 of the Draft Red Herring Prospectus shall be updated to read as under:

<u>Particulars</u>	<u>Appointment/Resignation</u>	<u>Date of Appointment/Resignation</u>	<u>Reason for Change</u>
<u>Name:</u> M/s KMV & Co., Chartered Accountants <u>Address:</u> 506, Aaryan work space 2, Opp. Vasundhara Society, Near Navkar public school, Gulbai Tekra, Ahmedabad, Gujarat- 380006 <u>Email:</u> kmvandco@hotmail.com <u>Peer Review Certificate</u> <u>No.:</u> Not Available <u>Firm Registration No.:</u> 139787W	<u>Appointment</u>	<u>November 30, 2023</u>	<u>Appointed as the First Auditors of the Company for the period from April 1, 2024, to March 31, 2029.</u>
<u>Name:</u> M/s KMV & Co., Chartered Accountants <u>Address:</u> 506, Aaryan work space 2, Opp. Vasundhara Society, Near Navkar public school, Gulbai Tekra, Ahmedabad, Gujarat- 380006 <u>Email:</u> kmvandco@hotmail.com <u>Peer Review Certificate</u> <u>No.:</u> Not Available <u>Firm Registration No.:</u> 139787W	<u>Resignation</u>	<u>July 8, 2024</u>	<u>Due to their pre-occupation in other assignments.</u>
<u>Name:</u> NGST & Associates <u>Address:</u> B/203, Borivali Paras CHS, Rokadia Lane, Near Gokul Hotel, Borivali (W), Mumbai, Maharashtra- 400092 <u>Email:</u> bhupendra@ngstca.in <u>Peer Review: Certificate</u> <u>No.:</u> 012936 <u>Firm Registration No.:</u> 135159W	<u>Appointment</u>	<u>July 13, 2024</u>	<u>Appointed as statutory auditors of the Company in Annual General Meeting for the period from April 1, 2024, to March 31, 2029.</u>
<u>Name:</u> NGST & Associates <u>Address:</u> B/203, Borivali Paras CHS, Rokadia Lane, Near Gokul Hotel, Borivali (W), Mumbai, Maharashtra-400092	<u>Resignation</u>	<u>July 16, 2024</u>	<u>Due to their pre-occupation in other assignments.</u>

<u>Email:</u> <u>bhupendra@ngstca.in</u> <u>Peer Review: Certificate</u> <u>No.: 012936</u> <u>Firm Registration No.:</u> <u>135159W</u>			
<u>Name:</u> <u>M/s VSSB & Associates, Chartered Accountants</u> <u>Address:</u> <u>A/912, 9th Floor, Ratnaakar Nine Square, Opp. ITC Narmada Hotel, Vastrapur, Ahmedabad, Gujarat- 380015</u> <u>Email:</u> <u>vishvesca@gmail.com</u> <u>Peer Review: Certificate</u> <u>No.: 014855</u> <u>Firm Registration No.:</u> <u>121356W</u>	<u>Appointment</u>	<u>July 17, 2024</u>	<u>Appointed as statutory auditors of the Company in an Extraordinary General Meeting for the period from April 1, 2024 to March 31, 2025.</u>

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OBJECTS OF THE ISSUE

The following insertions and/or amendments are carried out in the Chapter “Objects of the Issue:

1. The table corresponding to the heading “Fund requirement and utilisation of Net Proceeds of the Issue”, appearing on page no. 104 of the Draft Red Herring Prospectus, is updated by inserting the requirements of the working capital. The updated table is provided hereunder:

Fund requirement and utilisation of Net Proceeds of the Issue

The utilization of the Net Proceeds of the Issue is as follows:

S. No.	Particulars	Total Estimated Amount (In Rs. Lakh)	Amount Deployed as on July 20 2024 (In Rs. Lakh)	Balance Amount remaining to be deployed (In Rs. Lakh)	Amounts to be financed from Net Proceeds of the Issue (In Rs. Lakh)	Estimated Net Proceeds Utilization (In Rs. Lakh)	
						FY 2025-26	FY 2026-27
1.	Capital expenditure towards purchase of new equipment/ machineries, etc.	269.73	0.00	269.73	269.73	269.73	-
2.	Capital expenditure towards upgradation of existing manufacturing facility	465.57	0.00	465.57	465.57	465.57	-
3.	Repayment/prepayment of certain borrowings availed by our Company;	160.06	0.00	160.06	160.06	160.06	-
4.	Funding working capital requirements	Up to 1468.00	Nil	Up to 1468.00	Up to 1468.00	Up to 688.00	Up to 780.00
5.	General Corporate Purpose	[•]	[•]	[•]	[•]	[•]	-
	Total	[•]	[•]	[•]	[•]	[•]	-

2. Object No. 1 w.r.t Capital expenditure towards purchase of new equipment/ machineries, etc, appearing on page No. 105-108 of the Draft Red Herring Prospectus is replaced with following text:

1. Capital expenditure towards purchase of new equipment/ machineries, etc.

The Company proposes to purchase new machinery/equipment for installing the same at their existing manufacturing facility located at 28 & 29 Xcelon Industrial Park 1, Behind Intas Pharmaceuticals, Vasna Chacharvadi, Ahmedabad, Sanand, Gujarat, India, 382213. Presently the Company is undertaking testing and packaging process using traditional method, i.e. manually and/or using minimum equipment. The new plant and machinery/equipment will give advantage to establish automation in testing and packaging process. Owing to automation of the processes in the existing setup, our Company foresees increase in production capacity of various products manufactured by us. This increased production will in-turn result in increased turnover and ultimately profitability of the Company.

Implementing automation in testing and packaging processes through new plant and machinery/equipment will give variety of benefits, especially in terms of cost reduction and time efficiency. Below are detailed advantages:

1. Cost Reduction Benefits

- a. Automation minimizes manual labor in repetitive tasks like testing and packaging, hence, Savings in overtime pay, training, recruitment and employee benefits
- b. It reduces human errors, decreasing production of defective products.

Thus, it will help Company in long term via less wastage and error free work and also in line with updated automation technology in its manufacturing facilities helps in meeting industry standards.

2. Time Efficiency Benefits

- a. Automation in packaging accelerates production without quality compromise and eliminates human shift limitations, hence, maximizing productivity.
- b. It ensures uniform quality hence reduction in rework and also enhances QA efficiency.
- c. With this, company can easily accommodate different product type or packaging designs, significantly reducing the time required for setups.
- d. This also helps company to streamline batch production, hence, reducing the time needed to shift in different varieties of batch production.

Automation in Testing refers to the use of specialized tools, software, and machinery to automatically perform and manage product testing in a manufacturing or production environment. Instead of relying on manual methods to verify product quality, specifications, and functionality, automation in testing enables efficient, consistent assessments with minimal human intervention.

In industrial and manufacturing settings—such as a new plant with automated testing and packaging—these systems verify whether products meet predefined quality standards. In industries like pharmaceuticals, automation ensures compliance with stringent regulations (e.g., FDA regulations) by testing factors such as potency, purity, and safety.

Automated vision systems, equipped with high-resolution cameras and image processing software, enable precise visual inspections. These systems detect imperfections by assessing alignment, color, size, and the presence of required markings or labels.

New Plant and Machinery

The list of machinery/equipment proposed to be acquired along with details of quotations, rationale and benefits arising therefrom, are set forth below:

S. No.	Equipment	Quantity	Name of Supplier	Date of quotation	Validity of the quotation	Amount as mentioned in quotation in Rs. Lakhs	Amount including GST in Rs. Lakhs	Purpose and Benefits
a.	Pouch Packaging Machine – Combo Model with Liquid filling attachment 5 ml to 15 ml	1	Samarika Pharma Solutions LLP	December 03, 2024	90 days	6.40	7.55 ^{Note a}	This machine is required for packaging of medicine and give the advantage to increase the production capacity by 15,000 pouches per shift.

b.	Change parts for Powder filling CT-70 Automatic Capsule Filling with Polishing Sorting Line Machine	1 Set	Captech Systems	December 02, 2024	90 days	19.42	22.92 ^{Note b}	This machine is required for production of capsule based medicine and will give the advantage to increase the production capacity by 5,00,000 capsules per shift. 1. Increased Efficiency: 2. Enhanced Customer Options: 3. Support for New Products: 4. Competitive Advantage
c.	EPI-3015 PDA Blister Packaging machine with two sets of format change part (One set Alu/Alu and one set PVC/ALU)	1 Set	Elmach Packages (India) Private Limited	December 03, 2024	90 days	63.63	75.08 ^{Note c}	This machine is required for the packaging of tablet and capsules based medicine and will give the advantage to increase the production capacity by 1,00,000 blisters per shift.
	Additional set of Alu/Alu change parts	2 Sets						
	Additional set of PVC/Alu change parts	1 Set						
d.	Shimadzu P – Series HPLC. LC 20 AD Pump with GE Valve & DGU 20 SIL-20 A Auto Sampler without S. Collar	3	Anachrom Sales & Service	November 24, 2024	90 days	67.36	79.48 ^{Note d}	This is required for testing of medicine in our lab and this will give the advantage by improving the accuracy and speed of testing. This also gives advantage to attract the
	Cosmosil 5C-18 MS-II 250*4.6*5	2						
	Cosmosil C-18 Column 150*4.6*5	2						

	Cosmosil 5C-8 MS 4.6*250*5um	2						customer of export market by creating the confidence on quality part.
	Cosmosil 5C-8 MS 4.6*150*5um	2						
	Kromasil 100-5 C8 250*4.6*5(L7)	2						
	Mobail Phase Cap	5						
	S.S. Union 1/16"	1 Pkt						
	Peek Ferrules SHIMADZU Type	1 Pkt						
	2 ML Vials with bonded Slit Septa	1 Pkt						
	Suction Filter	5 Pcs						
e.	Cadpro A 39 Stn B Tooling machine (along with packaging, Bi-layer attachment, Lower punch spray lubrication system, Gravity feeding system, Powder level sensing device-very low level-FFS, Turret with lower punch keyway, additional std fill cams- 8/12 mm B TI and Installation & commissioning)	1	Cadmach Machinery Company Private Limited	December 03, 2024	90 days	71.77	84.69 ^{Note e}	This machine is required for production of the tablet based medicine and will give the advantage to increase the production by 5,00,000 tablets per shift.
	Total					228.59	269.73	

Notes:

- The quoted price is Ex-Factory Kalol Packing, Forwarding Freight Octroi & Insurance, Packing - Forwarding & Insurance freight Extra at Actual, Installation Charges as Actual;
- Packaging, Freight and Forwarding included in the quoted price;
- The quoted price is inclusive of packaging and exclusive of freight and insurance which would be as per actuals;
- Document/Installation included in the price
- The quoted price is Ex works-Vatva- Ahmadabad and exclusive of Validation Charges (higher of 1% of basic value of machine or Rs. 10,000). Further, Transit Insurance, Freight and Octroi would be as per actuals.
- We have not placed orders for any machinery/equipment. We have considered the above quotations for the budgetary estimate purpose and the actual cost of procurement and actual supplier/dealer may vary.

- g) All quotations received from the vendors mentioned above are valid as on the date of this Draft Red Herring Prospectus.
- h) We are not acquiring any second-hand machinery/equipment.
- i) The quotations relied upon by us in arriving at the above cost are valid for a specific period of time and may lapse after the expiry of the said period. Consequent upon which, there could be a possible escalation in the cost of the machinery/equipment proposed to be acquired by us at the actual time of purchase, resulting in increase in the capex cost. Such cost escalation would be met out of either of surplus portion of net issue proceeds (if any) or our internal accruals.

Proposed capacity utilization anticipated by the Company after incurring the capital expenditure towards purchase of new equipment/ machineries, etc.

The Company anticipates that post the capital expenditure, for purchase of new equipment/plant, as elaborated above, the Company shall be in a position to enhance its capacity. The details of the capacity utilization anticipated by the Company for the financial years ended March 31, 2024 (current), March 31, 2025 (estimated), March 31, 2026 (estimated) and March 31, 2027 (estimated), post the purchase of machineries as stated in object 1 and object 2, is provided hereunder:

	<u>Particulars</u>	<u>For the year ended March 31, 2024 (current)</u>	<u>For the year ended March 31, 2025 (estimated)</u>	<u>For the year ended March 31, 2026 (estimated)</u>	<u>For the year ended March 31, 2027 (estimated)</u>
<u>Installed Capacity</u>	<u>Tablet Section (MoU - Numbers)</u>	<u>650,000,000</u>	<u>650,000,000</u>	<u>1,000,000,000</u>	<u>1,000,000,000</u>
	<u>Oral Liquid Section (MoU - Bottle)</u>	<u>18,000,000</u>	<u>18,000,000</u>	<u>21,750,000</u>	<u>21,750,000</u>
	<u>External Perpetration Section (MoU -Tube)</u>	<u>9,000,000</u>	<u>9,000,000</u>	<u>9,000,000</u>	<u>9,000,000</u>
	<u>Capsule Section (MoU - Numbers)</u>	<u>200,000,000</u>	<u>200,000,000</u>	<u>450,000,000</u>	<u>450,000,000</u>
	<u>Oral Powder Section (MoU - Bottle & Pouch)</u>	<u>150,000,000</u>	<u>150,000,000</u>	<u>153,750,000</u>	<u>153,750,000</u>
<u>Capacity Utilization</u>	<u>Tablet Section (MoU - Numbers)</u>	<u>347,880,000</u>	<u>367,150,000</u>	<u>658,500,000</u>	<u>706,800,000</u>
	<u>Oral Liquid Section (MoU - Bottle)</u>	<u>10,944,000</u>	<u>11,009,000</u>	<u>14,061,375</u>	<u>16,406,025</u>
	<u>External Perpetration Section (MoU -Tube)</u>	<u>3,600,900</u>	<u>3,783,900</u>	<u>5,423,400</u>	<u>6,412,500</u>
	<u>Capsule Section (MoU - Numbers)</u>	<u>91,940,000</u>	<u>93,280,000</u>	<u>315,315,000</u>	<u>325,260,000</u>
	<u>Oral Powder Section (MoU - Bottle & Pouch)</u>	<u>36,990,000</u>	<u>37,135,000</u>	<u>69,587,250</u>	<u>84,762,375</u>
<u>Capacity Utilization %</u>	<u>Tablet Section (MoU - Numbers)</u>	<u>53.52%</u>	<u>56.48%</u>	<u>65.85%</u>	<u>70.68%</u>
	<u>Oral Liquid Section (MoU - Bottle)</u>	<u>60.80%</u>	<u>61.16%</u>	<u>64.65%</u>	<u>75.43%</u>

	<u>External Perpetration Section (MoU -Tube)</u>	<u>40.01%</u>	<u>42.04%</u>	<u>60.26%</u>	<u>71.25%</u>
	<u>Capsule Section (MoU - Numbers)</u>	<u>45.97%</u>	<u>46.64%</u>	<u>70.07%</u>	<u>72.28%</u>
	<u>Oral Powder Section (MoU - Bottle & Pouch)</u>	<u>24.66%</u>	<u>24.76%</u>	<u>45.26%</u>	<u>55.13%</u>

(Note: The above figures are based on the basis of CE certificate dated October 09, 2024 as received from M/s Bhavin R. Patel & Associates)

Schedule of Implementation

S No.	Particulars	Schedule of Implementation
1.	Placement of Capex Order	30 Days from the date of receipt of IPO proceeds
2.	Delivery of Capex	45 – 90 Days from the date of PO and advance
3.	Installation of Capex	10 – 15 Days from the date of delivery
4.	Commencement of Production	15 Days from the date of installation

3. Table under object No. 3 w.r.t. Repayment/prepayment of certain borrowings availed by our Company, appearing on page No. 115-116 of the Draft Red Herring Prospectus is replaced with following text:

Name of the Lender	Brief Terms and conditions	Amount outstanding as on July 20, 2024 (In Rs. Lakhs)
Indian Bank (LAN: 7692895195)	As per <u>last</u> sanction letter <u>in the name of erstwhile partnership firm M/s Accretion Pharmaceuticals</u> Paldi: MSME/Loan: 2022-23 dated 16/03/2023 <u>Sanction letter issued in the name of the Company</u> Paldi: MSME/Loan: 2023-24 dated 27/11/2023 <u>Disbursement of loan amount in the name of the Company: 10/01/2024</u> <u>Amount Sanctioned: Rs. 153.00 Lakhs</u> Tenure: 24 months Rol: 9.55% Primary Security: Plant & Machinery Directors & Joint Borrowers: Mr. Harshad Nanubhai Rathod, Mr. Hardik Mukundbhai Prajapati, Mr. Mayur Popatlal Sojitra, Mr. Vivek Ashokkumar Patel Purpose: For purchase of Plant and Machinery	115.88
Indian Bank (LAN: 7692820774)	As per <u>last</u> sanction letter <u>in the name of erstwhile partnership firm M/s Accretion Pharmaceuticals</u> Paldi: MSME/Loan: 2022-23 dated 16/03/2023 <u>Sanction letter issued in the name of the Company</u> Paldi: MSME/Loan: 2023-24 dated 27/11/2023 <u>Disbursement of loan amount in the name of the Company: 10/01/2024</u>	44.18

	<u>Disbursement Date: 10/01/2024</u> <u>Amount Sanctioned: Rs. 50.00 Lakhs</u> Tenure: 48 months Rol: 10.50% Primary Security: Solar Plant Directors & Joint Borrowers: Mr. Harshad Nanubhai Rathod, Mr. Hardik Mukundbhai Prajapati, Mr. Mayur Popatlal Sojitra, Mr. Vivek Ashokkumar Patel. Purpose: for installation of Solar Panel in order to save power consumption	
Total		160.06

BUSINESS OVERVIEW

The following insertions and/or amendments are carried out in the Chapter titled "Business Overview":

1. The sub head "Primary business of the Issuer" to the head "DETAILS OF THE BUSINESS OF THE ISSUER", appearing on page 145-147 of the Draft Red Herring Prospectus is replaced with following text:

A. Primary business of the Issuer:

Our company is engaged in the business of manufacturing and marketing of Tablets in various dosage, Capsules in various dosage, Oral Liquid, External Preparations (Ointment, Cream, Gel, Lotion, Medicated Shampoo, Mouthwash, Dusting Powder), And Oral Powder (Sachet, Dry Syrup) etc. either for direct sales, loan licence and/or contract manufacturing. The Company carries its operations from its manufacturing facility located at 28 & 29 Xcelon Ind Park 1, B/h, Intas Pharmaceuticals, Vasna Chacharvadi, Ahmedabad, Sanand, Gujarat 382213.

We are a pharmaceutical contract development and manufacturing organization ("CDMO") offering a comprehensive range of pharmaceutical products and services. We operate a manufacturing unit for our CDMO business.

Presently the Company is doing the business in 3 verticals i.e. sales to domestic market, direct sales to export market and sales to merchant exporter under loan license basis. The products manufactured by the Company sold to merchant exporter are further sold by the merchant exporter to various countries, that is why the statement mentioned in the object 2 that company presently exporting majority of its products directly/indirectly to geographies such as Africa, South-East Asia and Latin America'.

The vertical wise revenue bifurcation of the Company, for the period ended July 20, 2024 and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, is provided hereunder:

(Rs in Lakhs)

Year	Stub period ended on 20th July 2024	Period ended on 31-03-2024	Period ended on 31-03-2023	Period ended on 31-03-2022
Particulars				
Direct Export Sales	21.82	249.34	5.17	-
Domestic Sales	424.71	993.85	1,727.36	1,600.95
Sales on Contract Manufacturing/ Sales Loan License*	740.57	2,123.24	1,205.90	628.25
Total Sales	1,187.10	3,366.43	2,938.43	2,229.20

*Sales on Contract Manufacturing/Loan License: Sales to Exporters who registered as Merchant Exporter under GST.

(extracts from the certificate dated October 15, 2024, issued by M/s V S S B & Associates, Chartered Accountants, Statutory Auditors of our Company)

Product wise revenue of our Company for the period ended July 20, 2024 and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 is mentioned hereunder:

Product	As at 20 July, 2024	As % of Revenue from Operations	As of March 31, 2024	As % of Revenue from Operations	As of March 31, 2023	As % of Revenue from Operations	As of March 31, 2022	As % of Revenue from Operations
Tablet	476.79	40.16%	1335.72	39.68%	1224.13	41.66%	999.85	44.85%
Oral Liquid	308.77	26.01%	995.63	29.58%	847.22	28.83%	627.78	28.16%
External Preparation	158.04	13.31%	375.02	11.14%	288.58	9.82%	186.78	8.38%
Capsule	197.69	16.65%	536.80	15.95%	484.43	16.49%	392.19	17.59%
Oral Powder	45.77	3.86%	95.61	2.84%	94.07	3.20%	22.60	1.01%
Other (Inventory Or Development Charge)	0.04	0.00%	27.66	0.82%	-	0.00%	-	0.00%
Total Revenue from Operations	1187.10	100.00%	3366.43	100.00%	2938.43	100.00%	2229.20	100.00%

(extracts from the certificate dated August 20, 2024 issued by M/s V S S B & Associates, Chartered Accountants, Statutory Auditors of our Company)

Geography wise revenue of our Company for the period ended July 20, 2024 and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 is mentioned hereunder:

Amount in Rs. Lakhs

Geography	As at 20 th July, 2024	As % of Revenue from Operations	As of March 31, 2024	As % of Revenue from Operations	As of March 31, 2023	As % of Revenue from Operations	As of March 31, 2022	As % of Revenue from Operations
Gujarat	1092.69	93.77%	2773.15	88.97%	2651.83	90.41%	1922.52	86.24%
Maharashtra	33.86	2.91%	221.82	7.12%	139.36	4.75%	167.03	7.49%
Chhattisgarh	32.49	2.79%	75.06	2.41%	66.33	2.26%	34.67	1.56%
Assam	2.23	0.19%	28.90	0.93%	47.84	1.63%	65.63	2.94%
Karnataka	2.24	0.19%	4.59	0.15%	5.95	0.20%	1.95	0.09%
Uttar Pradesh	1.35	0.12%	2.98	0.10%	0.57	0.02%	0.29	0.01%
Madhya Pradesh	0.42	0.04%	4.14	0.13%	11.67	0.40%	12.57	0.56%
Bihar			4.27	0.14%	5.65	0.19%	6.40	0.29%
Tamil Nadu	-	-	0.45	0.01%	-	-	-	-
Andhra Pradesh	-	-	1.18	0.04%	1.66	0.06%	3.13	0.14%
Odisha	-	-	0.54	0.01%	0.46	0.02%	2.19	0.10%
Haryana	-	-	-	-	0.17	0.01%	0.76	0.03%
Delhi	-	-	-	-	0.45	0.02%	-	-
Rajasthan	-	-	-	-	1.32	0.05%	-	-
Telangana	-	-	-	-	-	-	1.16	0.05%
Lakshadweep	-	-	-	-	-	-	10.90	0.49%
Grand Total	1165.28	100.00%	3117.09	100.00%	2933.26	100.00%	2229.20	100.00%

(extracts from the certificate dated August 20, 2024 issued by M/s V S S B & Associates, Chartered Accountants, Statutory Auditors of our Company)

The above table provides bifurcation of the revenue earned by the Company from its Domestic Sales vertical and Sales on Contract Manufacturing/ Sales Loan License vertical (i.e. Sales to Exporters who registered as Merchant Exporter). It may be noted that the Merchant Exporters to whom the Company sells its products, are located within India.

The following table sets forth the geographic location(s) of the Merchant Exporters associated with the Company:

<u>S No.</u>	<u>Location of Company</u>	<u>No. of Merchant Exporters</u>
<u>1</u>	<u>Ahmedabad, Gujarat, India</u>	<u>17</u>
<u>2</u>	<u>Surat, Gujarat, India</u>	<u>2</u>
<u>3</u>	<u>Vadodara, Gujarat, India</u>	<u>5</u>
<u>4</u>	<u>Mumbai, Maharashtra</u>	<u>3</u>
<u>5</u>	<u>Mahesana, Gujarat, India</u>	<u>1</u>
<u>6</u>	<u>Rajkot, Gujarat, India</u>	<u>3</u>
<u>7</u>	<u>Coimbatore, Tamil Nadu, India</u>	<u>1</u>

The afore referred to Merchant Exporters further export our products to various countries across the world. The breakup of the sales made through Merchant Exporters through various geographies across the world, for the period ended July 20, 2024 and for the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, is provided hereunder:

Sales made through Merchant Exporters to various geographies during the period ended July 20, 2024

<u>Sr. No.</u>	<u>Name of the Country</u>	<u>Sales Amount (Rs. in Lakhs)</u>	<u>% of Total Merchant Export Sales</u>	<u>% of Total Sales</u>
<u>1</u>	<u>Congo (DRC)</u>	<u>114.7</u>	<u>15.49%</u>	<u>9.66%</u>
<u>2</u>	<u>Angola</u>	<u>70.42</u>	<u>9.51%</u>	<u>5.93%</u>
<u>3</u>	<u>Somalia</u>	<u>13.82</u>	<u>1.87%</u>	<u>1.16%</u>
<u>4</u>	<u>Iraq</u>	<u>2.5</u>	<u>0.34%</u>	<u>0.21%</u>
<u>5</u>	<u>Benin</u>	<u>1.13</u>	<u>0.15%</u>	<u>0.10%</u>
<u>6</u>	<u>Bhutan</u>	<u>14.63</u>	<u>1.98%</u>	<u>1.23%</u>
<u>7</u>	<u>Botswana</u>	<u>55.27</u>	<u>7.46%</u>	<u>4.66%</u>
<u>8</u>	<u>Cambodia</u>	<u>41.96</u>	<u>5.67%</u>	<u>3.53%</u>
<u>9</u>	<u>Guyana</u>	<u>12.78</u>	<u>1.73%</u>	<u>1.08%</u>
<u>10</u>	<u>Laos</u>	<u>3.61</u>	<u>0.49%</u>	<u>0.30%</u>
<u>11</u>	<u>Liberia</u>	<u>15.44</u>	<u>2.08%</u>	<u>1.30%</u>
<u>12</u>	<u>Libya</u>	<u>81.99</u>	<u>11.07%</u>	<u>6.91%</u>
<u>13</u>	<u>Macau</u>	<u>14</u>	<u>1.89%</u>	<u>1.18%</u>
<u>14</u>	<u>Madagascar</u>	<u>0.75</u>	<u>0.10%</u>	<u>0.06%</u>
<u>15</u>	<u>Myanmar</u>	<u>0.2</u>	<u>0.03%</u>	<u>0.02%</u>
<u>16</u>	<u>Venezuela</u>	<u>49.21</u>	<u>6.64%</u>	<u>4.15%</u>
<u>17</u>	<u>Sierra Leone</u>	<u>27.53</u>	<u>3.72%</u>	<u>2.32%</u>
<u>18</u>	<u>The Gambia</u>	<u>1.79</u>	<u>0.24%</u>	<u>0.15%</u>
<u>19</u>	<u>Others</u>	<u>218.84</u>	<u>29.55%</u>	<u>18.43%</u>

-	<u>TOTAL Merchant Export sales</u>	<u>740.57</u>	<u>100.00%</u>	<u>62.39%</u>
-	<u>Total Sales</u>	<u>1187.10</u>		

Sales made through Merchant Exporters to various geographica during the FY 2023-24

<u>Sr. No.</u>	<u>Name of the Country</u>	<u>Sales Amount (Rs. in Lakhs)</u>	<u>% of Total Merchant Export Sales</u>	<u>% of Total Sales</u>
<u>1</u>	<u>Afghanistan</u>	<u>15.66</u>	<u>0.74%</u>	<u>0.47%</u>
<u>2</u>	<u>Angola</u>	<u>179.39</u>	<u>8.45%</u>	<u>5.33%</u>
<u>3</u>	<u>Benin</u>	<u>14.88</u>	<u>0.70%</u>	<u>0.44%</u>
<u>4</u>	<u>Bhutan</u>	<u>0.93</u>	<u>0.04%</u>	<u>0.03%</u>
<u>5</u>	<u>Botswana</u>	<u>234.75</u>	<u>11.06%</u>	<u>6.97%</u>
<u>6</u>	<u>BURKINA FASO</u>	<u>189.37</u>	<u>8.92%</u>	<u>5.63%</u>
<u>7</u>	<u>Cambodia</u>	<u>0.23</u>	<u>0.01%</u>	<u>0.01%</u>
<u>8</u>	<u>Cameroon</u>	<u>24.02</u>	<u>1.13%</u>	<u>0.71%</u>
<u>9</u>	<u>Burundi</u>	<u>2.73</u>	<u>0.13%</u>	<u>0.08%</u>
<u>10</u>	<u>Congo (DRC)</u>	<u>108.85</u>	<u>5.13%</u>	<u>3.23%</u>
<u>11</u>	<u>Ghana</u>	<u>36.03</u>	<u>1.70%</u>	<u>1.07%</u>
<u>12</u>	<u>Guyana</u>	<u>13.23</u>	<u>0.62%</u>	<u>0.39%</u>
<u>13</u>	<u>Iraq</u>	<u>16.56</u>	<u>0.78%</u>	<u>0.49%</u>
<u>14</u>	<u>Laos</u>	<u>10.02</u>	<u>0.47%</u>	<u>0.30%</u>
<u>15</u>	<u>Lebanon</u>	<u>0.75</u>	<u>0.04%</u>	<u>0.02%</u>
<u>16</u>	<u>Liberia</u>	<u>72.53</u>	<u>3.42%</u>	<u>2.15%</u>
<u>17</u>	<u>Libya</u>	<u>41.55</u>	<u>1.96%</u>	<u>1.23%</u>
<u>18</u>	<u>Macau</u>	<u>4.19</u>	<u>0.20%</u>	<u>0.12%</u>
<u>19</u>	<u>Madagascar</u>	<u>1.14</u>	<u>0.05%</u>	<u>0.03%</u>
<u>20</u>	<u>Mali</u>	<u>270.41</u>	<u>12.74%</u>	<u>8.03%</u>
<u>21</u>	<u>Myanmar</u>	<u>10.94</u>	<u>0.52%</u>	<u>0.32%</u>
<u>22</u>	<u>Papua New Guinea</u>	<u>20.54</u>	<u>0.97%</u>	<u>0.61%</u>
<u>23</u>	<u>Sierra Leone</u>	<u>76.11</u>	<u>3.58%</u>	<u>2.26%</u>
<u>24</u>	<u>Somalia</u>	<u>58.14</u>	<u>2.74%</u>	<u>1.73%</u>
<u>25</u>	<u>Swaziland</u>	<u>238.01</u>	<u>11.21%</u>	<u>7.07%</u>
<u>26</u>	<u>The Gambia</u>	<u>14.58</u>	<u>0.69%</u>	<u>0.43%</u>
<u>27</u>	<u>Trinidad and Tobago</u>	<u>3.75</u>	<u>0.18%</u>	<u>0.11%</u>
<u>28</u>	<u>Venezuela</u>	<u>95.18</u>	<u>4.48%</u>	<u>2.83%</u>
<u>29</u>	<u>Others</u>	<u>368.75</u>	<u>17.37%</u>	<u>10.95%</u>
-	<u>TOTAL Merchant Export sales</u>	<u>2123.22</u>	<u>100.00%</u>	<u>63.07%</u>
-	<u>Total Sales</u>	<u>3366.43</u>		

Sales made through Merchant Exporters to various geographies during the FY 2022-23

<u>Sr. No.</u>	<u>Name of the Country</u>	<u>Sales Amount (Rs. in Lakhs)</u>	<u>% of Total Merchant Export Sales</u>	<u>% of Total Sales</u>
<u>1</u>	<u>Afghanistan</u>	<u>38.76</u>	<u>3.21%</u>	<u>1.32%</u>

<u>2</u>	<u>Angola</u>	<u>40.83</u>	<u>3.39%</u>	<u>1.39%</u>
<u>3</u>	<u>Bhutan</u>	<u>58.6</u>	<u>4.86%</u>	<u>1.99%</u>
<u>4</u>	<u>Botswana</u>	<u>179.87</u>	<u>14.92%</u>	<u>6.12%</u>
<u>5</u>	<u>Cambodia</u>	<u>176.55</u>	<u>14.64%</u>	<u>6.01%</u>
<u>6</u>	<u>Congo (DRC)</u>	<u>212.66</u>	<u>17.63%</u>	<u>7.24%</u>
<u>7</u>	<u>Guyana</u>	<u>126.43</u>	<u>10.48%</u>	<u>4.30%</u>
<u>8</u>	<u>Iraq</u>	<u>8.27</u>	<u>0.69%</u>	<u>0.28%</u>
<u>9</u>	<u>Laos</u>	<u>5.2</u>	<u>0.43%</u>	<u>0.18%</u>
<u>10</u>	<u>Mali</u>	<u>42.56</u>	<u>3.53%</u>	<u>1.45%</u>
<u>11</u>	<u>Sierra Leone</u>	<u>34.32</u>	<u>2.85%</u>	<u>1.17%</u>
<u>12</u>	<u>Somalia</u>	<u>9.02</u>	<u>0.75%</u>	<u>0.31%</u>
<u>13</u>	<u>Venezuela</u>	<u>62.32</u>	<u>5.17%</u>	<u>2.12%</u>
<u>14</u>	<u>Others</u>	<u>210.52</u>	<u>17.46%</u>	<u>7.16%</u>
-	<u>TOTAL Merchant Export sales</u>	<u>1205.91</u>	<u>100.00%</u>	<u>41.04%</u>
-	<u>Total Sales</u>	<u>2938.43</u>		

Sales made through Merchant Exporters to various geographies during the FY 2021-22

<u>Sr. No.</u>	<u>Name of the Country</u>	<u>Sales Amount (Rs. in Lakhs)</u>	<u>% of Total Merchant Export Sales</u>	<u>% of Total Sales</u>
<u>1</u>	<u>Angola</u>	<u>15.88</u>	<u>2.53%</u>	<u>0.71%</u>
<u>2</u>	<u>Bhutan</u>	<u>78.34</u>	<u>12.47%</u>	<u>3.51%</u>
<u>3</u>	<u>Burundi</u>	<u>1.22</u>	<u>0.19%</u>	<u>0.05%</u>
<u>4</u>	<u>Cambodia</u>	<u>146.65</u>	<u>23.34%</u>	<u>6.58%</u>
<u>5</u>	<u>Congo (DRC)</u>	<u>243.67</u>	<u>38.78%</u>	<u>10.93%</u>
<u>6</u>	<u>Somalia</u>	<u>15.42</u>	<u>2.45%</u>	<u>0.69%</u>
<u>7</u>	<u>Venezuela</u>	<u>14.43</u>	<u>2.30%</u>	<u>0.65%</u>
<u>8</u>	<u>Others</u>	<u>112.65</u>	<u>17.93%</u>	<u>5.05%</u>
-	<u>TOTAL Merchant Export sales</u>	<u>628.26</u>	<u>100.00%</u>	<u>28.18%</u>
-	<u>Total Sales</u>	<u>2229.20</u>		

Our Customers

Company is making all its deals through the clients who are independent companies and not through any dealers.

The details of the revenue accounted for cumulatively by our top 1, 5 and 10 customers for the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, is provided hereunder:

<u>Particulars</u>	<u>Revenue from Operations for the period ended July 20, 2024</u>		<u>Revenue from Operations for the Fiscal Year</u>					
			<u>2023-24</u>		<u>2022-23</u>		<u>2021-22</u>	
	<u>Rs. In Lakhs</u>	<u>%</u>	<u>Rs. In Lakhs</u>	<u>%</u>	<u>Rs. In Lakhs</u>	<u>%</u>	<u>Rs. In Lakhs</u>	<u>%</u>
<u>Revenue from top 1 customer as % to revenue from operations</u>	<u>216.93</u>	<u>18%</u>	<u>506.32</u>	<u>15.04%</u>	<u>481.31</u>	<u>16.38%</u>	<u>498.66</u>	<u>22.37%</u>

<u>Revenue from top 5 customer as % to revenue from operations</u>	<u>770.86</u>	<u>66%</u>	<u>1920.31</u>	<u>57.04%</u>	<u>1492.31</u>	<u>50.79%</u>	<u>746.4</u>	<u>33.48%</u>
<u>Revenue from top 10 customer as % to revenue from operations</u>	<u>1030.65</u>	<u>88%</u>	<u>2456.86</u>	<u>72.98%</u>	<u>2233.20</u>	<u>70.01%</u>	<u>853.95</u>	<u>38.31%</u>

2. Raw material, appearing under the sub-head “Infrastructure facilities for raw materials and utilities like water, electricity, etc.” to the head “DETAILS OF THE BUSINESS OF THE ISSUER”, appearing on page 171 of the Draft Red Herring Prospectus is replaced with following text:

ii. Raw Material

Our manufacturing activity is done on a Contract Manufacturing or on Loan license basis where our entity does the procurement of raw material and packing material. Alternatively, we need to source the raw material required for manufacturing, from the vendors, approved by our customers. Based on the order / contract specification, we source the material from approved vendors and manufacturers of chemical and formulation.

Packing materials are sourced from established vendors, locally. We carefully assess the reliability of all materials purchased to ensure that the regulatory and legal requirements are complied with, and they comply with the rigorous quality and safety standards required for our products. In an effort to manage risks associated with raw materials supply, we work closely with our suppliers to help ensure availability and continuity of supply while maintaining quality and reliability and identifying any potential for improvement.

The details of the purchases accounted for cumulatively by our top 1, 5 and 10 suppliers for the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, is provided hereunder:

<u>Particulars</u>	<u>Total Purchases for the period ended July 20, 2024</u>		<u>Total Purchases for the Fiscal Year</u>					
			<u>2023-24</u>		<u>2022-23</u>		<u>2021-22</u>	
	<u>Rs. In Lakhs</u>	<u>%</u>	<u>Rs. In Lakhs</u>	<u>%</u>	<u>Rs. In Lakhs</u>	<u>%</u>	<u>Rs. In Lakhs</u>	<u>%</u>
<u>Purchase from top 1 supplier as % to Total purchase</u>	<u>43.22</u>	<u>6.18%</u>	<u>151.43</u>	<u>5.73%</u>	<u>127.39</u>	<u>5.50%</u>	<u>44.88</u>	<u>2.41%</u>
<u>Purchase from top 5 supplier as % to Total purchase</u>	<u>161.31</u>	<u>23.07%</u>	<u>614.98</u>	<u>23.28%</u>	<u>575.4</u>	<u>24.85%</u>	<u>178.87</u>	<u>9.59%</u>
<u>Purchase from top 10 supplier as % to Total purchase</u>	<u>233.54</u>	<u>33.41%</u>	<u>1008.12</u>	<u>38.17%</u>	<u>746.84</u>	<u>746.84</u>	<u>219.34</u>	<u>11.76%</u>

Generally, there are multiple sources that can supply the raw materials that we require. Our raw material sourcing is not dependent on a single source of supply and we have access to alternate sources for our procurement of raw materials. All raw material and packing material are easily available in our location.

As on the date of DRHP there are any conflict of interest between the suppliers of raw materials and third- party service providers (crucial for operations of the company) and the company, Promoter, Promoter Group, Key Managerial Personnel, Directors and subsidiaries / Group Company and its directors, the same should be disclosed at all the relevant sections of the offer document

Details of Raw materials along with the state/country from which it is being procured:

<u>Sr. No.</u>	<u>Item</u>	<u>Amount</u>	<u>% of Material Cost</u>	<u>Source/Location</u>	<u>Type of raw material</u>
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1	Monocarton & Outer Carton	43,531,295	16.48%	Gujarat	For Packaging Process
2	Sugar & Liquid Glucose	33,712,520	12.76%	Gujarat	For Manufacturing Process
3	Base Foil ,Aluminium Foil , PVC & Printed Foil	32,527,179	12.32%	Gujarat	For Packaging Process
4	Pet Bottles, Glass Bottles & HDPE Bottle /Jar	23,704,733	8.98%	Gujarat	For Packaging Process
5	Paracetamol IP/BP/USP	14,465,250	5.48%	Gujarat	For Manufacturing Process
6	Azithromycin Dihydrate IP/USP	10,667,500	4.04%	Maharashtra	For Manufacturing Process
7	Leaflet , insert & corrugated box	8,070,040	3.06%	Gujarat	For Packaging Process
8	Rabeprazole & Domperidone Pellets	5,455,925	2.07%	Hyderabad	For Manufacturing Process
9	Carbocisteine BP	4,641,960	1.76%	Madhya Pradesh(MP)	For Manufacturing Process
10	E.H.G Capsules Size 2 , Size 0 & Size 00	4,549,850	1.72%	Gujarat	For Manufacturing Process

3. Details of “Power”, appearing under the sub-head “Infrastructure facilities for raw materials and utilities like water, electricity, etc.” to the head “DETAILS OF THE BUSINESS OF THE ISSUER”, appearing on page 171 of the Draft Red Herring Prospectus is replaced with following text:

iii. Power

We have made necessary arrangements for regular uninterrupted power supply at our manufacturing unit. We have availed a power connection from UGVCL for our manufacturing unit premises having sanctioned load of 273 KVA under a contract demand. Further, the Company has installed solar plant which carries power-generation capacity of 120 KW as per the letter received from Gujarat Energy Development Agency.



Image of the solar panel installed by the Company at its manufacturing facility:

4. The sub head “Improve Global Presence” to the head “Our Business Strategy”, appearing on page 177-178 of

the Draft Red Herring Prospectus is replaced with following text:

1. Improve global presence

Currently we have presence in India as well as Libiya, Congo, Rawanda, Somalia, Cameroon, Angola, Botswana, Madagascar, Burundi, Ghana, Nigeria, Mali, Sierra Leone, Sri Lanka, Bangladesh, Bhutan, Nepal, Afghanistan, Macau, Guatemala, Guyana, Trinidad & Tobago, Venezuela, Bolivia, Combodia, Myanmar, Laos, Philippines. etc. Besides, as on the date of this Draft Red Herring Prospectus, under license number G/25/2033 and G/28/1471 from Food & Drug department for Accretion Pharmaceuticals Limited, we are permitted to manufactured and sale 1198 Products in our name in offshore market also. The following table depicts the total number of products sold by the Company during the period ended July 20, 2024 and for the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, is provided hereunder:

<u>Sr. No.</u>	<u>Section</u>	<u>FY 21-22</u>	<u>FY 22-23</u>	<u>FY 23-24</u>	<u>For the period ended July 20, 2024</u>
<u>1</u>	<u>Tablet</u>	<u>349</u>	<u>376</u>	<u>256</u>	<u>108</u>
<u>2</u>	<u>Capsule</u>	<u>140</u>	<u>139</u>	<u>143</u>	
<u>3</u>	<u>Oral Powder</u>	<u>9</u>	<u>20</u>	<u>37</u>	<u>11</u>
<u>4</u>	<u>Oral Liquid</u>	<u>347</u>	<u>372</u>	<u>349</u>	<u>195</u>
<u>5</u>	<u>External Preparation</u>	<u>81</u>	<u>83</u>	<u>101</u>	<u>33</u>
<u>Total</u>		<u>926</u>	<u>990</u>	<u>886</u>	<u>388</u>

Presently we are supplying the goods to the export market through the merchant exporters and going forward the Company proposes to supply its manufactured products directly into same export market or new export market so as to achieve the goal of direct export.

Our product portfolio is primarily focused on offering differentiated products and registered formulations based on customer's requirements. We intend to continue to grow our sales by registering more and new products in these markets as well new market. Our growth strategy will vary from country to country depending on their specific regulatory and product requirements. We may either form important relationships with companies having strong local presence or alternatively appoint local distributors through which we can undertake our own sales and marketing. Further, the Company also proposes to get registration of its plant and products with the respective authority of the countries globally so as to enable the Company to directly export its products to global market.

During the reporting period ended on 31st March 2024, 31st March 2023 and 31 March 2022, company has made sale to various merchant exporter who export goods to various countries such as Libiya, Congo, Rawanda, Somalia, Cameroon, Angola, Botswana, Madagascar, Burundi, Ghana, Nigeria, Mali, Sierra Leone, Shri Lanka, Bangladesh, Bhutan, Nepal, Afghanistan, Macau, Guatemala, Guyana, Trinidad & Tobago, Venezuela, Bolivia, Combodia, Myanmar, Laos, Philippines and During the reporting period, company has made direct export in the countries such as Shrilanka, Curaçao and The Republic of Congo)

5. The text describing "EMPLOYEES" appearing on page 180-181 of the Draft Red Herring Prospectus is replaced with following text:

I. EMPLOYEES

As on the date of Draft Red Herring Prospectus, our Company has 83 employees (including 4 Executive Directors) on its payroll.

<u>Sr. No.</u>	<u>Particulars</u>	<u>No. of persons</u>
1.	Executive Director(s)*	4

2.	KMP	2
3.	Accountant	1
4.	Chemist Production	2
5.	H R Manager	1
6.	Manager QC	1
7.	Manager Production	2
8.	<u>Sales and Marketing</u> Officer	4
9.	Operator	16
10.	QA Officer	15
11.	QC Microbiology	1
12.	QC Officer	5
13.	Regulatory	1
14.	Supervisor	1
15.	Worker	27
	Total	83

**Apart from the executive directors, company has three non-executive Independent directors.*

Rate of attrition and trainings conducted

The details w.r.t. number of employees, rate of attrition and trainings conducted for the period ended July 20, 2024 and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 is provided hereunder:

Particulars	For Period ended on 20 July 2024	For Year ended on 31-03-2024	For Year ended on 31-03-2023	For Year ended on 31-03-2022
No of Employees	83	81	69	67
Attrition rate	2%	2%	2%	2%
Training Conducted	1	4	4	4
Employee on first day	81	69	67	62
Newly Recruited Employee	4	14	3	6
Employee Left during period	2	2	1	1
Employees on last day	83	81	69	67

Employee Cost

The Employee Cost and the % of the same to Revenue for the period ended July 20, 2024 and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 is provided hereunder:

Particulars	Stub period ended on 20th July 2024	Period ended on 31-03-2024	Period ended on 31-03-2023	Period ended on 31-03-2022
Revenue	1,187.10	3,366.52	2,938.43	2,229.20
Employee Benefit & Related cost	102.39	261.87	247.4	196.01
% of Revenue	8.63%	7.779%	8.419%	8.793%

6. The text describing “Approach to marketing of products and services” appearing on page 176 of the Draft Red Herring Prospectus is replaced with following text:

Approach to marketing of products and services

The efficiency of the marketing and sales network is critical to the success of our Company. Our success lies in the strength of our relationship with our existing corporate customers that are associated with our Company. The sales and marketing division of our Company is personally looked after by our Promoter Directors, viz. Mr. Mayur Popatlal Sojitra, and Mr. Vivek Ashok Kumar Patel, Managing Director of the Company. While Mr. Mayur Popatlal Sojitra, oversees the Direct Export Sales vertical and Merchant Exports sales vertical of the Company, Mr. Vivek Ashok Kumar Patel oversees the Merchant Exports sales vertical and Domestic Sales vertical of the Company. Our Directors are supported by 4 (four) sales and marketing officers. Our team through their experience and good rapport with marketers, owing to timely and quality delivery of products, plays an instrumental role in creating and expanding a work platform for our Company. We adopt product-wise, client-wise, location wise and geography-wise approach for selling our products. Our marketing team also works to maintaining the existing clients and acquiring new clients for our products. Our marketing team focuses on increasing our market share through addition of new & unique products which have huge business potential. To retain our customers, our team regularly interacts with them and focuses on gaining an insight into the additional needs of customers. We intend to expand our existing customer base by reaching out to other geographical areas and expanding our export operations in future. Our marketing team is ready to take up challenges to scale new heights.

DECLARATION

We, hereby declares that, all the relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in this Addendum to the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, provisions of Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. We further certify that all the statements made in this Addendum to the Draft Red Herring Prospectus are true and correct.

Signed by the Board of Directors of our Company	
Sd/- (Mr. Vivek Ashok Kumar Patel) Managing Director	Sd/- (Mr. Harshad Nanubhai Rathod) Executive Non Independent Director
Sd/- (Mr. Mayur Popatlal Sojitra) Executive Non Independent Director	Sd/- (Mr. Hardik Mukundbhai Prajapati) Executive Non Independent Director
Sd/- (Ms. Grishma Shewale) Non-Executive Independent Director	Sd/- (Mr. Vijay Anadkat) Non-Executive Independent Director
Sd/- (Mr. Shyam Kapadia) Non - Executive Independent Director	
Signed by the Chief Financial Officer and Company Secretary & Compliance Officer of our Company	
Sd/- (Mr. Harshad Nanubhai Rathod) Chief Financial Officer	Sd/- (Mrs. Bhavika Dhaval Makadia) Company Secretary and Compliance Officer

Date: March 12, 2025

Place: Ahmedabad