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ACCRETION PHARMACEUTICALS LIMITED  
Corporate Identity Number (CIN): U21004GJ2023PLC146545

REGISTERED OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
29 Xcelon Ind Park 1, B/h, Intas Pharmaceuticals, Vasna Chacharvadi, Ahmedabad, Sanand, Gujarat, India, 382213	Ms. Bhavika Dhaval Makadia, Company Secretary & Compliance Officer	E-mail: <a href="mailto:compliance@accretionpharma.com">compliance@accretionpharma.com</a> Tel No.: +91-97148 82929	<a href="http://www.accretionpharma.com">http://www.accretionpharma.com</a>

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

DETAILS OF THE ISSUE

TYPE	FRESH ISSUE SIZE	OFFER FOR SALE	TOTAL ISSUE SIZE	ELIGIBILITY
Fresh Issue	Upto 30,00,000 Equity Shares aggregating upto Rs. [●] Lakhs	Nil	Upto 30,00,000 Equity Shares aggregating upto Rs. [●] Lakhs	This Issue is being made in terms of Chapter IX of SEBI ICDR Regulation as amended. For details in relation to share reservation among QIBs, NIIs, and RILs, see "Issue Structure" beginning on Page 279.

Details of OFS by Promoter(s)/ Promoter Group/ Other Selling Shareholders – Nil

RISKS IN RELATION TO FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is Rs. 10 each. The Issue Price is Rs. [●] is [●] times of the face value of the Equity Shares. The Issue Price as determined by our Company in consultation with the BRLM and as stated under "Basis for Issue Price" beginning on page 120, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" beginning on page 34.

COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and this Issue, which is material in the context of this Issue, 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.

LISTING

The Equity Shares offered through the Prospectus are proposed to be listed on the EMERGE Platform of NSE. Our Company has received in-principle approval from NSE for listing of the Equity Shares pursuant to its letter dated [●]. For the purposes of this Issue, NSE shall be the Designated Stock Exchange. A signed copy of the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Prospectus up to the Issue Closing Date, see "Material Contracts and Documents for Inspection" beginning on page 341.

BOOK RUNNING LEAD MANAGER

LOGO	NAME OF BRLM	CONTACT PERSON	TEL & EMAIL
	Jawa Capital Services Private Limited	Mr. Taranveer Singh/ Mr. Sajal Gupta	Tel No.: +91-11-47366600; E-mail: <a href="mailto:mbd@jawacapital.in">mbd@jawacapital.in</a>

REGISTRAR TO THE ISSUE

LOGO	NAME OF BRLM	CONTACT PERSON	TEL & EMAIL
	Kfin Technologies Limited	Contact Person: M. Murali Krishna	Tel No.: +91-40-6716 2222/ 18003094001 E-mail: <a href="mailto:apl.ipo@kfintech.com">apl.ipo@kfintech.com</a>

BID/ISSUE PERIOD

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

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

**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 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

For details of the change in the registered office, please refer section "History and Certain Corporate Matters" on page 183.

<b>PROMOTERS: MR. HARSHAD NANUBHAI RATHOD, MR. VIVEK ASHOK KUMAR PATEL, MR. MAYUR POPATLAL SOJITRA AND MR. HARDIK MUKUNDBHAI PRAJAPATI</b>	
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.	
In case of any revision in the Price Band, the Bid/Issue Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company, for reasons to be recorded in writing extend the Bid/Issue Period for a minimum of three Working Days, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/Issue 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 website of the BRLM and at the terminals of the Members of the Syndicate and by intimation to Designated Intermediaries and Sponsor Bank.	
The Issue is being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 253 of the SEBI ICDR Regulations, as amended, wherein not more than 50% of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs", the "QIB Portion"), provided that our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), 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-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue 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 Issue Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts, and UPI ID in case of RIBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the 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 Issue through the ASBA process. For details, see "Issue Procedure" beginning on page 284 of this Draft Red Herring Prospectus.	
All potential investors shall participate in the Issue through an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" on page 284 of this Draft Red Herring Prospectus. A copy of Red Herring Prospectus will be delivered to the Registrar of Companies for filing in accordance with Section 32 of the Companies Act, 2013	
<b>RISKS IN RELATION TO FIRST ISSUE</b>	
This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is Rs. 10 each. The Floor Price, the Cap Price and the Issue 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 and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.	
<b>GENERAL RISKS</b>	
Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" beginning on page 34.	
<b>COMPANY'S ABSOLUTE RESPONSIBILITY</b>	
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and this Issue, which is material in the context of this Issue, 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.	
<b>LISTING</b>	
The Equity Shares offered through the Prospectus are proposed to be listed on the EMERGE Platform ("NSE-EMERGE") of the National Stock Exchange of India Limited ("NSE"). Our Company has received in-principle approval from NSE for listing of the Equity Shares pursuant to its letter dated [●]. For the purposes of this Issue, NSE shall be the Designated Stock Exchange. A signed copy of the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Prospectus up to the Issue Closing Date, see "Material Contracts and Documents for Inspection" beginning on page 341.	
<b>BOOK RUNNING LEAD MANAGER</b>	<b>REGISTRAR TO THE ISSUE</b>
<p><b>JAWA</b> CAPITAL SERVICES</p> <p><b>Jawa Capital Services Private Limited</b> Plot No. 93, First Floor, Pocket 2, Near DAV School, Jasola, New Delhi- 110025</p>	<p><b>Kfin Technologies Limited</b> Selenium, Tower B, Plot No 31 and 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Telangana, 500032</p>

Tel No.: +91-11-47366600; E-mail: <a href="mailto:mbd@jawacapital.in">mbd@jawacapital.in</a> Investor Grievance Email: <a href="mailto:investorsrelation@jawacapital.in">investorsrelation@jawacapital.in</a> Website: <a href="http://www.jawacapital.in">www.jawacapital.in</a> Contact Person: Mr. Taranveer Singh/ Mr. Sajal Gupta SEBI Registration No.: MB/INM000012777	Tel No.: +91 40 6716 2222/18003094001, E-mail: <a href="mailto:apl.ipo@kfintech.com">apl.ipo@kfintech.com</a> Investor Grievance Email: einward.ris@kfintech.com Website: www.kfintech.com Contact Person: Mr. M. Murali Krishna SEBI Registration No.: INR000000221
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**ISSUE PROGRAMME**

<b>ANCHOR INVESTOR BID/ISSUE PERIOD*</b>	[●]	<b>BID/ISSUE OPENS ON:</b>	[●]	<b>ISSUE CLOSES ON</b>	[●]
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\* Our Company, in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Issue Opening Date.

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

## TABLE OF CONTENTS

<b>SECTION I: GENERAL.....</b>	<b>5</b>
<b>DEFINITIONS AND ABBREVIATIONS .....</b>	<b>5</b>
<b>PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA .....</b>	<b>19</b>
<b>FORWARD LOOKING STATEMENTS .....</b>	<b>21</b>
<b>SECTION II: SUMMARY OF THE OFFER DOCUMENT.....</b>	<b>23</b>
<b>SECTION III: RISK FACTORS .....</b>	<b>34</b>
<b>SECTION IV: INTRODUCTION .....</b>	<b>60</b>
<b>ISSUE DETAILS IN BRIEF .....</b>	<b>60</b>
<b>SUMMARY OF FINANCIAL INFORMATION .....</b>	<b>62</b>
<b>SECTION V: GENERAL INFORMATION.....</b>	<b>65</b>
<b>SECTION VI: CAPITAL STRUCTURE OF THE COMPANY .....</b>	<b>79</b>
<b>SECTION VII: PARTICULARS OF THE ISSUE .....</b>	<b>102</b>
<b>OBJECTS OF THE ISSUE .....</b>	<b>102</b>
<b>BASIS FOR ISSUE PRICE.....</b>	<b>120</b>
<b>STATEMENT OF POSSIBLE TAX BENEFITS .....</b>	<b>130</b>
<b>SECTION VIII: ABOUT US.....</b>	<b>133</b>
<b>INDUSTRY OVERVIEW .....</b>	<b>133</b>
<b>BUSINESS OVERVIEW .....</b>	<b>141</b>
<b>KEY INDUSTRY REGULATIONS .....</b>	<b>169</b>
<b>HISTORY AND CORPORATE STRUCTURE OF OUR COMPANY .....</b>	<b>183</b>
<b>OUR MANAGEMENT .....</b>	<b>187</b>
<b>OUR PROMOTERS AND PROMOTER GROUP.....</b>	<b>216</b>
<b>GROUP ENTITIES OF OUR COMPANY .....</b>	<b>225</b>
<b>DIVIDEND POLICY.....</b>	<b>228</b>
<b>SECTION IX: FINANCIAL STATEMENTS .....</b>	<b>229</b>
<b>RESTATED FINANCIAL STATEMENTS.....</b>	<b>229</b>
<b>MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.....</b>	<b>232</b>
<b>STATEMENT OF FINANCIAL INDEBTEDNESS.....</b>	<b>240</b>
<b>CAPITALIZATION STATEMENT .....</b>	<b>242</b>
<b>SECTION X: LEGAL AND OTHER INFORMATION.....</b>	<b>243</b>
<b>OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS .....</b>	<b>243</b>
<b>GOVERNMENT AND OTHER APPROVALS.....</b>	<b>252</b>
<b>SECTION XI –OTHER REGULATORY AND STATUTORY DISCLOSURES.....</b>	<b>260</b>
<b>SECTION XII - ISSUE INFORMATION.....</b>	<b>271</b>
<b>TERMS OF THE ISSUE.....</b>	<b>271</b>
<b>ISSUE STRUCTURE .....</b>	<b>279</b>
<b>ISSUE PROCEDURE .....</b>	<b>284</b>
<b>RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES .....</b>	<b>324</b>
<b>SECTION XIII –MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF COMPANY.....</b>	<b>326</b>
<b>ARTICLES OF ASSOCIATION.....</b>	<b>326</b>
<b>MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION .....</b>	<b>341</b>
<b>DECLARATION.....</b>	<b>343</b>

## SECTION I: GENERAL

### DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies, as amended, supplemented or re-enacted from time to time 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 meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Listing Regulations, the Depositories Act or the Rules and Regulations made thereunder.

Notwithstanding the foregoing, terms used in of the sections “Statement of Possible Tax Benefits”, “Financial Statement as Restated”, “Main Provisions of Articles of Association”, “Basis for Issue Price”, “Our History and Certain Corporate Matters”, “Other Regulatory and Statutory Disclosures” and “Outstanding Litigations and Material Developments” beginning on pages 130, 229, 326, 120, 183, 260 and 243 respectively, shall have the meaning ascribed to such terms in the relevant section.

#### GENERAL TERMS

Term	Description
“Our Company” or “the Company” or “Accretion” or “MAIL”	Accretion Pharmaceuticals Limited, a company incorporated under the Companies Act, 2013, and having its Registered Office at 29 Xcelon Ind Park 1, B/h, Intas Pharmaceuticals, Vasna Chacharvadi, Ahmedabad, Sanand, Gujarat, India, 382213
“we” or “us” or “our”	Unless the context otherwise indicates or implies, refers to our Company.

#### COMPANY RELATED TERMS

Term	Description
Articles/ Articles of Association	The Articles of Association of Our Company.
Auditors	The Statutory Auditors of the Company, being M/s V S S B & Associates, Chartered Accountants.
Board /Board of Directors	The Board of Directors of our company or a duly constituted committee thereof.
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Compliance Officer	The compliance officer of our Company in relation to the Issue
Equity Shares	The Equity Shares of our Company of face value of Rs.10 each
Group Companies/Entities	In terms of SEBI ICDR Regulations, the term “group companies” includes companies (other than our Promoter) with which there were

	related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and any other companies as considered material by our Board, in accordance with the Materiality Policy, as described in “Our Group Companies” on page 225.
Independent Director	Independent director(s) on our Board and eligible to be appointed as independent directors under the provisions of the Companies Act and the SEBI LODR Regulations. For details of the Independent Directors, see “Our Management” on page 187.
KMP/ Key Managerial Personnel	Key Managerial Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and the Companies Act, 2013 disclosed in “Our Management” on page 187
Memorandum/ MOA/ Memorandum of Association	Memorandum of Association of our Company, as amended
Promoters	Mr. Mayur Popatlal Sojitra, Mr. Harshad Nanubhai Rathod, Mr. Vivek Ashok Kumar Patel and Mr. Hardik Mukundbhai Prajapati
Promoter Group	The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as described in “Our Promoter and Promoter Group” on page 216
Registered Office/ Registered Office of the Company	The Registered Office of the Company at 29 Xcelon Ind Park 1, B/h, Intas Pharmaceuticals, Vasna Chacharvadi, Ahmedabad, Sanand, Gujarat, India, 382213
Registrar of Companies /ROC	Registrar of Companies, ROC Ahmedabad
Restated Financial Statements	The restated financial statement of our Company for the period April 01, 2024 to July 20, 2024 and for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 and the related notes, schedules and annexures thereto, prepared in accordance with applicable provisions of the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations and included in “Financial Statements” on page 229

## ISSUE RELATED TERMS

Term	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by the SEBI in this behalf.
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
Allot/Allotment /Allotted	Unless the context otherwise requires, allotment of Equity Shares pursuant to the Issue to successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹ 200 lakhs.

Term	Description
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and Prospectus, which will be decided by our Company in consultation with the Book Running Lead Manager during the Anchor Investor Bid/ Issue Period
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bid/Issue Period or Anchor Investor Bidding Date	The day, being one Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the Book Running Lead Manager will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed
Anchor Investor Issue Price	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 Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company, in consultation with the Book Running Lead Manager
Anchor Investor Pay-In Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Issue Price, not later than two Working Days after the Bid/Issue Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company in consultation with the Book Running Lead Manager, to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the ASBA Account and will include applications made by UPI Bidders using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by UPI Bidders using the UPI Mechanism
ASBA Account	A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the amount specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a UPI Bidder linked to a UPI ID, which will be blocked by the SCSB upon acceptance of the UPI Mandate Request in relation to a Bid by a UPI Bidder Bidding through the UPI Mechanism
ASBA Bidders	Any prospective investor(s) / Bidder (s) in this Issue who apply(ies) through the ASBA process except Anchor Investors.
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Issue	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Sponsor Bank and Public Issue Account Bank(s), as the case may be
Banker to the Issue Agreement	Agreement dated [●] entered into amongst the Company, Book Running Lead Manager, the Registrar to the Issue, Sponsor Bank and the Banker to the Issue
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Issue, as described in "Issue Procedure" beginning on page 284
Bid	An indication to make an offer during the Bid/Issue Period by an ASBA

Term	Description
	<p>Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations.</p> <p>The term “Bidding” shall be construed accordingly.</p>
Bid Amount	<p>The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder 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 in the Issue, as applicable.</p>
Bidding Centres	<p>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.</p>
Bid cum Application Form	<p>Anchor Investor Application Form or the ASBA Form, as the context requires.</p>
Bid Lot	<p>[●] Equity Shares and in multiples of [●] Equity Shares thereafter.</p>
Bid/Issue Closing Date	<p>Except in relation to any Bids received from the Anchor Investors, the date after which the Syndicate, the Designated Branches and the Registered Brokers shall not accept the Bids, which shall be notified in all editions of one English national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and one regional language newspaper with wide circulation at Gujarat, the place where the registered office of the Company is situated, each with wide circulation, and in case of any revision, the extended Bid/ Issue closing Date also to be notified on the website and terminals of the Syndicate, SCSB’s and Sponsor Bank, as required under the SEBI ICDR Regulations.</p> <p>Our Company in consultation with the Book Running Lead Manager, may consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.</p>
Bid/Issue Opening Date	<p>Except in relation to any Bids received from the Anchor Investors, the date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in all editions of one English national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and one regional language newspaper with wide circulation at Gujarat, the place where the registered office of the Company is situated, and in case of any revision, the extended Bid/ Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.</p>
Bid/Issue Period	<p>Except in relation to any Bids received from the Anchor Investors, the period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date or the QIB Bid/ Issue Closing Date, as the case may be, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof. Provided however that the Bidding/ Issue Period shall be kept open for a minimum of three Working Days for all categories of Bidder</p>



Term	Description
	Our Company may, in consultation with the Book Running Lead Manager, consider closing the Bid/Issue Period for the QIB Category one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations. The Bid/Issue Period will comprise of Working Days only.
Bidder/ Applicant	Any prospective investor who makes a bid pursuant to the terms of the Red Herring Prospectus and the Bid-Cum-Application Form and unless otherwise stated or implied, which includes an ASBA Bidder and an Anchor Investor
Bidding/ Collection Centers	Centers at which the Designated intermediaries shall accept the ASBA Forms, i.e. Designated SCSB Branches for SCSBs, specified locations for syndicates, broker centers for registered brokers, designated RTA Locations for RTAs and designated CDP locations for CDPs.
Book Building Process	The book building process as described in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made.
Book Running Lead Manager” or “BRLM”	The Book Running Lead Manager to the Issue, namely Jawa Capital Services Private Limited
Broker Centre	Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms, provided that UPI Bidders may only submit ASBA Forms at such broker centres if they are Bidding using the UPI Mechanism, to a Registered Broker and details of which are available on the websites of the respective Stock Exchanges. 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 and updated from time to time.
Business Day	Monday to Friday (except public holidays).
CAN or Confirmation of Allocation Note	The notice 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 Issue Price and the Anchor Investor Issue Price will not be finalised and above which no Bids (or revision thereof) will be accepted.
Client ID	Client identification number maintained with one of the Depositories in relation to the Bidder’s beneficiary 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 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 website of NSE, as updated from time to time.
Cut-off Price	The Issue Price, as finalised by our Company in consultation with the Book Running Lead Manager which shall be any price within the Price Band. Only Retail Individual Bidders Bidding in the Retail 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, PAN, DP ID, Client ID 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 website of the Stock Exchange (www.nseindia.com) as updated from time to time.
Designated Date	The date on which funds are transferred from the Escrow Account(s) or

Term	Description
	the funds blocked by the SCSBs are transferred from the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, in terms of the Red Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Equity Shares may be allotted to successful Bidders in the Issue.
Designated Intermediaries	An SCSB's with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depository Participant, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity)
Designated Market Maker/ Market Maker	[●]
Designated RTA Locations	Such locations of the RTAs where Bidder can submit the Bid-Cum-Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid-Cum-Application Forms are available on the websites of the Stock Exchange i.e. www.nseindia.com.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the Applicant and a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> . Recognized Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	National Stock Exchange of India Limited ("SME Exchange") ("NSE Emerge")
Draft Red Herring Prospectus or DRHP	Draft Red Herring Prospectus dated September 17, 2024 as being filed with NSE Emerge.
Eligible FPIs	FPIs that are eligible to participate in the Issue in terms of applicable law and from such jurisdictions outside India where it is not unlawful to make an offer/ invitation under the Issue 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 the relevant provisions of the FEMA Rules, on a non- repatriation basis, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares.
Escrow Account(s)	The account(s) to be opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NACH/direct credit/ NEFT/ RTGS in respect of the Bid Amount 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 Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids, will be accepted.
Foreign Institutional	Foreign Institutional Investors (as defined under Foreign Exchange

Term	Description
Investors	Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
Foreign Portfolio Investor	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
Fraudulent Borrower	A fraudulent borrower, as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.
Fugitive Economic Offender	A fugitive economic offender as defined under the Fugitive Economic Offenders Act, 2018.
General Information Document or GID	The General Information Document for investing in public issues, 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 Exchange and the Book Running Lead Manager.
Issue/ Public Issue/ Issue size/ Initial Public Offering/ IPO	The Initial Public Issue of upto 30,00,000 Equity shares of ₹ 10/- each at issue price of ₹ [●]/- per Equity share, including a premium of ₹ [●]/- per equity share aggregating to ₹ [●] lakhs
Issue Agreement/ Memorandum of Understanding	The agreement dated Septmeber 11, 2024 our Company and the Book Running Lead Manager, pursuant to the SEBI ICDR Regulations, based on which certain arrangements are agreed to in relation to the Issue.
Issue Price	₹ [●] per Equity Share, being the final price within the Price Band, 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 Issue Price in terms of the Red Herring Prospectus.  The Issue Price will be decided by our Company in consultation with the Book Running Lead Manager, in accordance with the Book Building Process on the Pricing Date and in terms of the Red Herring Prospectus.
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled "Objects of the Issue" beginning on page 102 of this Draft Red Herring Prospectus
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the Stock Exchange.
Lot size	[●]
Market Maker Reservation Portion	The reserved portion of [●] Equity Shares of ₹10 each at an Issue price of ₹ [●] each is aggregating to ₹ [●] Lakhs to be subscribed by Market Maker in this Issue.
Market Making Agreement	The Market Making Agreement dated [●] between our Company, Book Running Lead Manager and Market Maker.
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 Issue Price.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of [●] equity Shares of ₹10/- each at a price of ₹ [●] per Equity Share (the "Issue Price"), including a share premium of ₹ [●] per equity share aggregating to ₹ [●]

Term	Description
	Lakhs.
Net Proceeds	The Issue Proceeds less the Issue-related expenses. For further details about use of the Net Proceeds and the Issue related expenses, see “Objects of the Issue” on page 102
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 ₹ 2,00,000 (but not including NRIs other than Eligible NRIs).
Non-Institutional Portion	The portion of the Issue being not less than 15% of the Issue, consisting of [●] Equity Shares, which shall be available for allocation on a proportionate basis to Non Institutional Investors, subject to valid Bids being received at or above the Issue Price
Non-Resident or NR	A person resident outside India, as defined under FEMA.
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 any revisions thereof. The Cap Price shall be at least 105% of the Floor Price. The Price Band will be decided by our Company in consultation with the BRLM and advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper with wide circulation at least two working days prior to the Bid/ Issue Opening Date.
Pricing Date	The date on which our Company in consultation with the Book Running Lead Manager, will finalise the Issue 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 Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto.
Public Issue Account Bank(s)	The banks which are clearing members and registered with SEBI under the BTI Regulations, with whom the Public Issue Account(s) will be opened for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being [●].
Public Issue Account	Bank account to be opened in accordance with the provisions of the Companies Act, 2013, with the Public Issue Account Bank(s) to receive money from the Escrow Accounts and from the ASBA Accounts on the Designated Date.
QIB Category/ QIB Portion	The portion of the Net Issue (including the Anchor Investor Portion) being not more than
	50% of the Net Issue, consisting of [●] Equity Shares aggregating to ₹[●] lakhs which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLM), subject to valid Bids being received at or above the Issue Price or Anchor Investor Issue Price (for Anchor Investors).
Qualified Institutional Buyers” or “QIBs”/ QIB Bidders	A qualified institutional buyer, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Red Herring Prospectus or RHP	The red herring prospectus to be issued 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

Term	Description
	Shares will be offered and the size of the Issue, including any addenda or corrigenda thereto. The red herring prospectus will be filed with the RoC at least three working days before the Bid/ Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date.
Refund Account	The 'no-lien' and 'non-interest bearing' account to be 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
RefundBank/ Refund Banker	The Banker to the Issue with whom the Refund Account 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.
Registrar Agreement	The agreement dated September 13, 2024 entered amongst our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
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 NSE, and the UPI Circulars.
Registrar, or Registrar to the Issue/ RTA/ RTI	Registrar to the Issue, in this case being Link Intime India Private Limited
Regulation S	Regulation S under the U.S. Securities Act of 1933, as amended from time to time.
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2018.
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
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 Issue.
Retail Portion	The portion of the Issue being not less than 35% of the Net Issue 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 Issue Price.
Revision Form	<p>Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Form(s) or any previous Revision Form(s), as applicable.</p> <p>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 can revise their Bids during the Bid/Issue Period and withdraw their Bids until Bid/Issue Closing Date.</p>
SCORES	Securities and Exchange Board of India Complaints Redress System, a centralized web based complaints redressal system launched by SEBI vide circular no. CIR/OIAE/1/2014 dated December 18, 2014
Self Certified Syndicate Bank(s) or SCSB(s)	Shall mean a Banker to an Issue registered under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list

Term	Description
	of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time
SME Exchange	SME Platform of the NSE i.e. NSE SME.
Specified Locations	Collection centres where the SCSBs shall accept application form, a list of which is available on the website of SEBI ( <a href="https://www.sebi.gov.in/">https://www.sebi.gov.in/</a> ) and updated from time to time..
Sponsor Bank(s)	The Banker to the Issue registered with SEBI and appointed by our Company to act as a conduit between the Stock Exchanges and the NPCI in order to push the mandate collect requests and / or payment instructions of the Retail Individual Bidders into the UPI and carry out other responsibilities, in terms of the UPI Circulars.
Specified Securities	Equity shares and/or convertible securities
Stock Exchange	National Stock Exchange of India Limited.
Sub Syndicate Member	A SEBI Registered member of NSE appointed by the BRLM and/ or syndicate member to act as a Sub Syndicate Member in the Issue.
Syndicate Agreement	Agreement dated [●] entered into among our Company, the Book Running Lead Manager, and the Syndicate Members in relation to collection of Bid cum Application Forms by Syndicate.
Syndicate	Together, the Book Running Lead Manager and the Syndicate Members.
Syndicate Members or members of the Syndicate	Intermediaries (other than Book Running Lead Manager) registered with SEBI who are permitted to accept bids, applications and place orders with respect to the Issue and carry out activities as an underwriter.
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.
Transaction Registration Slip/ TRS	The slip or document issued by the member of the Syndicate or SCSB (only on demand) as the case may be, to the Applicant as proof of registration of the Application.
Underwriter(s)	[●]
Underwriting Agreement	The Agreement [●] entered between the Underwriter(s) and our Company.
UPI	Unified Payments Interface, which is an instant payment mechanism developed by NPCI.
UPI Circulars	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, Circular number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/2022/75 dated May 30,2022, SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21,2023 and any subsequent circulars or notifications issued by SEBI in this regard.
UPI Bidders	Collectively, individual investors applying as RIBs in the Retail Portion, and

Term	Description
	<p>individuals applying as Non-Institutional Investors with a Bid Amount of up to ₹ 500,000 in the Non- Institutional Portion and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents.</p> <p>Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual investors applying in public issues where the application amount is up to ₹ 500,000 shall use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity).</p>
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI.
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI application, by way of a SMS directing the UPI Bidder to such UPI application) to the UPI Bidder initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
UPI Mechanism	The Bidding mechanism that may be used by a UPI Bidder to make a Bid in the Issue in accordance with the UPI Circulars.
UPI PIN	Password to authenticate UPI transaction.
Wilful Defaulter(s)	A wilful defaulter, as defined under the SEBI ICDR Regulations.
Working Day	All days, on which commercial banks in Maharashtra are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Issue Period, Working Day shall mean all days except all Saturdays, Sundays and public holidays on which commercial banks in Maharashtra are open for business and (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchange, "Working Day" shall mean all trading days of Stock Exchange, excluding Sundays and bank holidays in India, as per the circulars issued by SEBI, including the SEBI UPI Circulars.

#### TECHNICAL/INDUSTRY RELATED TERMS/ ABBREVIATIONS

Term	Description
HPLC	High performance liquid chromatography
DT	Disintegration Test Machine
TLC	Thin layer chromatography
DPT	Diphtheria, Tetanus and Pertussis
API	Active Pharmaceuticals Ingredients
Dis	Drug Intermediates
KSMs	Key Starting Materials
GDP	Gross Domestic Product
GMP	Good Manufacturing Practice
GST	Goods and Services Tax

IMF	International Monetary Fund
MG	Milligram
OSD	Oral Solid Dosage
WHO	World Health Organisation
WHOGMP	World Health Organization Good Manufacturing Practice

## CONVENTIONAL TERMS/ ABBREVIATIONS

Term	Description
AIF/Alternative Investment Funds	Alternative Investment Funds as defined and registered under the SEBI AIF Regulations
AGM	Annual General Meeting
ASBA	Application Supported by Blocked Amount
A.Y.	Assessment Year
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India.
BV / NAV	Book value / Net Asset Value
CAGR	Compounded Annual Growth Rate.
CARO	Companies (Auditor's Report) Order, 2016
CDSL	Central Depository Services (India) Ltd.
CIN	Corporate Identity Number
Client ID	Client identification number of the Bidder's beneficiary account
Companies Act, 2013/Companies Act	Companies Act, 2013, along with the relevant rules made thereunder
Depository	A body corporate registered under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time i.e. NSDL and CDSL.
Depositories Act	Depositories Act, 1996, as amended from time to time
Depository Participant /DP	A depository participant as defined under the Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant's identification number
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
ESOP	Employees Stock Option Plan
FCNR Account	Foreign Currency Non Resident Account.
FCRA	Foreign Contribution (Regulation) Act, 2010
FDI	Foreign Direct Investment
FDI Policy	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
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the rules and regulations framed thereunder.
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FII	Foreign Institutional Investors as defined under the SEBI FPI Regulations
FIPB	Foreign Investment Promotion Board.



Financial Year /fiscal year/FY/ fiscal	Period of twelve months ended March 31 of that particular year, unless otherwise stated.
FMS	Facility Management Services
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
Fugitive Economic Offender	Fugitive Economic Offender as defined under Regulation 2(2)(p) of SEBI ICDR Regulations
FVCI	Foreign Venture Capital Investor
Government/ GOI	The Government of India.
GAAP	Generally Accepted Accounting Principles
GAAR	General Anti Avoidance Rules
GIGW	Guidelines For Indian Government Websites
GST	Goods and Service Tax
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Ind AS	The Indian Accounting Standards notified under Section 133 of the Companies Act 2013 and referred to in the Ind AS Rules
Ind AS 24	Indian Accounting Standard 24 on Related Party Disclosure issued by the MCA
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended
Indian GAAP	Generally Accepted Accounting Principles in India notified under Section 133 of the Companies Act 2013 and read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016
INR or Rupee or Rs.	Indian Rupee, the official currency of the Republic of India
IPO	Initial Public Issue
IRDA	Insurance Regulatory and Development Authority.
IT Act/ I. T. Act	Income-Tax Act, 1961
KYC	Know Your Customer
MAT	Minimum Alternate Tax
MCA	The Ministry of Corporate Affairs, Government of India
MICR	Magnetic Ink Character Recognition (nine digit code as appearing on a cheque leaf)
Mn, mn	Million
Mutual Funds	Mutual funds registered with the SEBI under the SEBI (Mutual Funds) Regulations, 1996
N.A.	Not Applicable
NAV	Net asset value.
NBFC	Non-banking Financial Company
NBFC – ND – SI	Systemically Important Non-Deposit Taking NBFC
NBFC – SI	Systemically important non-banking financial company, as covered under Regulation 2(1)(ss)(xiii) of the SEBI ICDR Regulations
NCR	National Capital Region
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer

NPCI	National Payments Corporation of India
NR/Non-Resident	A person resident outside India, as defined under the FEMA and includes a Non-Resident Indian
NRE Account	Non-Resident External Account.
NRI/Non-Resident Indian	A non-resident Indian as defined under the FEMA Regulations
NRO Account	Non-Resident Ordinary Account.
NSDL	National Securities Depository Limited
OCB/ Overseas Corporate Body	A company, partnership firm, society and other corporate body owned directly or indirectly to the extent of at least sixty percent by NRIs and includes an overseas trust in which not less than 60% beneficial interest is held by NRIs directly or indirectly but irrevocably and which was in existence on the date of commencement of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs) Regulations, 2003 and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the relevant regulations issued under FEMA
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio.
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India.
RBI Act	Reserve Bank of India Act, 1934
Regulation S	Regulation S under the Securities Act
RONW	Return on Networth
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SCSB	Self-Certified Syndicate Bank
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended from time to time.
Securities Act	United States Securities Act of 1933, as amended
STT	Securities Transaction Tax
UK	United Kingdom
U.S./U.S.A.	United States of America
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with the SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case maybe
Willful Defaulter	Willful Defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations

## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### CERTAIN CONVENTION

All references in this Draft Red Herring Prospectus to “India” are to the Republic of India.

Unless indicated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to page numbers of this Draft Red Herring Prospectus.

### FINANCIAL DATA

Unless stated otherwise, the financial data in this Draft Red Herring Prospectus is derived from our audited restated financial statements for the period ended July 20, 2024 and for the Financial Years ended March 2024, 2023 and 2022 prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Indian GAAP which are included in this Prospectus, and set out in “**Financial Statements as Restated**” on page 229 of this Draft Red Herring Prospectus.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal place and all percentage figures have been rounded off to two decimal places and accordingly there may be consequential changes in this Draft Red Herring Prospectus.

Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

There are significant differences between Indian GAAP and IND (AS). Accordingly, the degree to which the Restated Financial Statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, IND (AS), the Companies Act and the SEBI ICDR Regulations, on the Restated Financial Statements presented in this Draft Red Herring Prospectus should accordingly be limited. Although we have included a summary of qualitative and quantitative differences between Indian GAAP and IND (AS), our financial statements reported under IND (AS) in future accounting periods may not be directly comparable with our financial statements historically prepared in accordance with Indian GAAP, including disclosed in this Draft Red Herring Prospectus. You should consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in “**Risk Factors**”, “**Our Business**”, “**Management’s Discussion and Analysis of Financial Position and Results of Operations**” and elsewhere in this Draft Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI ICDR Regulations, as stated in the report of our Statutory Auditor, set out in the section titled “**Financial Statements as Restated**” beginning on page 229 of this Draft Red Herring Prospectus.

### CURRENCY AND UNITS OF PRESENTATION

In this Draft Red Herring Prospectus, unless the context otherwise requires, all references to (a) ‘Rupees’ or ‘Rs.’ Or ‘INR’ are to Indian rupees, the official currency of the Republic of India; (b) ‘US Dollars’ or ‘US\$’ or ‘USD’ or ‘\$’ are to United States Dollars, the official currency of the United States of America. All references to the word ‘Lakh’ or ‘Lakhs’, ‘Lac’ or ‘Lacs’, means ‘One hundred thousand’

and the word 'Million' means 'Ten Lakh' and the word 'Crore' means 'Ten Million' and the word 'Billion' means 'One Thousand Million'.

Any percentage amounts, as set forth in "**Risk Factors**", "**Our Business**", "**Management's Discussion and Analysis of Financial Position and Results of Operations**" and elsewhere in this Draft Red Herring Prospectus, unless otherwise indicated, have been calculated based on our financial statements as restated prepared in accordance with Indian GAAP.

## **INDUSTRY AND MARKET DATA**

Unless stated otherwise, industry and market data used throughout this Draft Red Herring Prospectus has been obtained or derived from internal Company reports and industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although, our Company believes that industry data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified either by the Company or the Lead Manager or any of their respective affiliates or advisors.

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

## **EXCHANGE RATE**

This Draft Red Herring Prospectus may contain conversion of certain other currency amounts into Indian Rupees that has 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.

## FORWARD LOOKING STATEMENTS

All statements contained in this Draft Red Herring Prospectus that are not statements of historical facts constitute **“Forward Looking Statements”**. All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in this Draft Red Herring Prospectus regarding matters that are not historical facts. These forward-looking statements and any other projections contained in this Draft Red Herring Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Important factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the section titled **“Risk Factors”**; **“Management’s Discussion and Analysis of Financial Condition and Results of Operations”**; **“Industry Overview”**; and **“Business Overview”** beginning on pages 34, 232, 133 and 141 respectively of this Draft Red Herring Prospectus.

The forward-looking statements contained in this Draft Red Herring Prospectus are based on the beliefs of our management, as well as the assumptions made by and information currently available to our management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materializes, or if any of the underlying assumptions prove to be incorrect, the actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

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

1. Changes in laws and regulations relating to the sectors/areas in which we operate;
2. Increased competition in pharmaceutical industry.
3. Our ability to successfully implement our growth strategy and expansion plans;
4. Our ability to meet our further capital expenditure requirements;
5. Fluctuations in operating costs;
6. Our ability to attract and retain qualified personnel;
7. Conflict of Interest with affiliated companies, the promoter group and other related parties
8. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
9. Changes in government policies and regulatory actions that apply to or affect our business.
10. Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
11. The occurrence of natural disasters or calamities;
12. Our inability to maintain or enhance our brand recognition;
13. Inability to adequately protect our trademarks and
14. Changes in consumer demand
15. geopolitical and economic instability;
16. financial risks such as longer payment cycles, difficulty collecting accounts receivable, exposure to fluctuations in foreign currency exchange rates and potential currency controls;
17. trade protection measures and import or export licensing requirements;

18. diverse regulatory and compliance requirements, and changes in those requirements that could restrict our ability to manufacture, market and sell our products;

Forward looking statements reflects views as of the date of this Draft Red Herring Prospectus and not a guarantee of future performance. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company / our Directors nor the Book Running Lead Manager, nor any of its affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with SEBI requirements, our Company and the Book Running Lead Manager will ensure that investors in India are informed of material developments until such time as the listing and trading permission is granted by the Stock Exchange.

## SECTION II: SUMMARY OF THE OFFER DOCUMENT

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Prospectus, including the sections entitled “Risk Factors”, “The Issue”, “Capital Structure”, “Objects of the Issue”, “Industry Overview”, “Our Business”, “Issue Procedure”, “Outstanding Litigation and Material Developments” and “Main Provisions of Articles of Association” on pages 34, 60, 79, 102, 133, 141, 284, 243 and 326, respectively.

### Summary of Business

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 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.

The Corporate Identification Number of our company is U21004GJ2023PLC146545.

Presently our Company is engaged in the business of manufacturing and marketing of Tablets, Capsules, Oral Liquid, External Preparations (Ointment, Cream, Gel, Lotion, Medicated Shampoo, Mouthwash, Dusting Powder), And Oral Powder (Sachet, Dry Syrup) etc.

Apart from manufacturing products for direct sales, our Company also manufactures various pharmaceutical products for different marketers on loan license or contract manufacturing basis. Our business is majorly carried out on principle-to-principle basis with different marketers. As on the date of this Draft Red Herring Prospectus, we cater to multiple corporate clients on loan licence and/or contract manufacturing basis.

Our Company is ISO 9001:2015, ISO 14001:2015 and ISO 22000:2018 certified and is led by a experienced board of directors, and a professional and experienced management team with extensive experience in the pharmaceutical.

For details, see “Our Business” on page 141.

### Summary of Industry

The Indian Pharmaceuticals industry plays a prominent role in the global pharmaceuticals industry. Major segments of Indian Pharmaceutical Industry include generic drugs, OTC medicines, bulk drugs, vaccines, contract research & manufacturing, biosimilars and biologics. India is a global leader in the supply of DPT, BCG, and Measles vaccines.

The nation is the largest provider of generic medicines globally, occupying a 20% share in global supply by volume, and is the leading vaccine manufacturer globally. India also has the highest number of US-FDA compliant Pharma plants outside of USA and is home to more than 3,000 pharma companies with a strong network of over 10,500 manufacturing facilities as well as a highly skilled resource pool.

**Overview of the Pharmaceuticals Industry:**

The pharmaceutical industry in India is expected to reach \$65 Bn by 2024 and to \$130 Bn by 2030.

The pharmaceutical industry in India is currently valued at \$50 Bn.

India is a major exporter of Pharmaceuticals, with over 200+ countries served by Indian pharma exports. India supplies over 50% of Africa’s requirement for generics, ~40% of generic demand in the US and ~25% of all medicine in the UK.

India also accounts for ~60% of global vaccine demand, and is a leading supplier of DPT, BCG and Measles vaccines. 70% of WHO’s vaccines (as per the essential Immunization schedule) are sourced from India.

For details, see “Industry Overview” on page 133.

**Name of the Promoter**

As on date of this Draft Prospectus, Mr. Vivek Ashok Kumar Patel, Mr. Harshad Nanubhai Rathod, Mr. Mayur Popatlal Sojitra and Mr. Hardik Mukundbhai Prajapati are the Promoters of our Company.

**Size of the issue**

Initial Public Offer of upto 30,00,000 Equity Shares of face value of Rs. 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.

**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.	Particulars	Amount to be deployed (In Rs.)
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No.		Lakh)
1.	Capital expenditure towards purchase of new equipment/ machineries, etc.	213.74
2.	Capital expenditure towards upgradation of existing manufacturing facility	477.02
3.	Expenditure in connection with product registration in overseas market;	204.12
4.	Repayment/prepayment of certain borrowings availed by our Company;	160.06
5.	Funding w requirements	[●]
6.	General Corporate Purpose	[●]
	<b>Total</b>	<b>[●]</b>

For details, see “Objects of the Issue” on page 102.

**Aggregate pre-issue shareholding of the Promoter and Promoter Group, as a percentage of the paid-up share capital of our Company:**

S. No.	Particulars	Pre-Issue		Post Issue	
		No. of Shares	% Holding	No. of Shares	% Holding
<b>A.</b>	<b>Promoter</b>				
1.	Mayur Popatlal Sojitra	19,66,500	24.07%	19,66,500	[●]
2.	HarshadNanubhaiRathod	19,66,500	24.07%	19,66,500	[●]
3.	Vivek Ashok Kumar Patel	19,66,500	24.07%	19,66,500	[●]
4.	Hardik Mukundbhai Prajapati	19,66,500	24.07%	19,66,500	[●]
	<b>Total (A)</b>	<b>78,66,000</b>	<b>96.28%</b>	<b>78,66,000</b>	<b>[●]</b>
<b>B.</b>	<b>Promoter Group</b>				
1.	Ankita Vivek Patel	76,000	0.93%	76,000	[●]
2.	Pooja Harshad Rathod	76,000	0.93%	76,000	[●]
3.	Shweta Sojitra	76,000	0.93%	76,000	[●]
4.	Vaishaki Hardik Prajapati	76,000	0.93%	76,000	[●]
	<b>Total (B)</b>	<b>3,04,000</b>	<b>3.72%</b>	<b>3,04,000</b>	<b>[●]</b>
	<b>Total (A+B)</b>	<b>81,70,000</b>	<b>100.00%</b>	<b>81,70,000</b>	<b>[●]</b>

#### Summary of Restated Financial Information

(Amount in Lakhs)

S. No.	Particulars	For the Period from April 01, 2024 to July 20, 2024	Financial Year		
			2023-24	2022-23	2021-22
1.	Share capital / Proprietor's Capital Account	817.00	400.00	384.27	307.64
2.	Net Worth as Restated	991.49	534.76	384.27	307.64
3.	Total Revenue	1,189.00	3,393.86	2,953.15	2,258.42
4.	Profit After Tax	156.73	387.53	10.39	7.90
5.	Earnings Per Share	6.53	9.69	-	-
6.	Net Asset Value per Equity Share	12.57	13.37	-	-
7.	Debt	1,091.13	1,348.22	846.58	760.76

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

Our Statutory Auditors have not made any qualifications in the examination report that have not been given effect to in the Restated Financial Statements.

## Summary of Outstanding Litigation

A summary of outstanding litigation proceedings involving our Company, our Directors, our Promoter and our Group Companies as on the date of this Draft Red Herring Prospectus is provided below:

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved (Rs in Lakhs)
<b>Company</b>						
By the Company	1	NA	NA	NA	NA	3.72
Against the Company	NA	NA	NA	NA	1	unascertained
<b>Directors</b>						
By our Directors	NA	NA	NA	NA	NA	NA
Against the Directors	NA	NA	NA	NA	NA	NA
<b>Promoters*</b>						
By Promoters	NA	NA	NA	NA	NA	NA
Against Promoters	1	NA	NA	NA	NA	Unascertained
<b>Subsidiaries</b>						
By Subsidiaries	NA	NA	NA	NA	NA	NA
Against Subsidiaries	NA	NA	NA	NA	NA	NA
<b>Group Companies</b>						
By Group Companies	NA	NA	NA	NA	NA	NA
Against Group Companies	NA	NA	NA	NA	NA	NA

*\*Our Promoter is also the director of the Company. Hence litigation against them has not been included under the heading of director to avoid repetition. Also there is only a single matter registered against two of our promoters cum directors in which both have been made parties. Since the matter is single, we have included it as a single matter instead of separately mentioning single matter separately for 2 directors.*

## Brief details of top 5 Criminal Case against our Promoters:

Sr. No.	Particulars	Litigation filed by	Current status	Amount involved
1	State of Gujarat (Plaintiff) V/s. 1) Manubhai Manojbhai Ramanbhai Mer Co. Patel; 2) Jabbar Babukhan; 3) Vishanubhai Virjibhai Dabhi; 4) Mayurbhai Papatbhai Sojitra; 5) Surajsinh Prakashsinh Rajput; 6) Harshadbhai Nanubhai Rathod (Parties 1 to 6 hereinafter referred to as Defendant No. 1, 2, 3, 4, 5 & 6 respectively and collectively as defendants)	State of Gujarat (Plaintiff)	Disposed by Hon'ble Principal District & Sessions Judge from his court and	Unascertained

	<p><i>(Criminal Case No. 3565 of 2023 dated December 21, 2023, filed with the court of Additional Chief Judicial Magistrate at Sanand, Ahmedabad, under the provisions of The Juvenile Justice (Care And Protection Of Children) Act, 2015 and Child Labour (Prohibition And Regulation) Act, 1986)</i></p> <p>An FIR No. 11192015230859 dated September 18, 2023 registered u/s. 3A, 14(1)1(A) of Child labour (Prohibition and Regulation) act 1986 and Section 79 of Juvenile Justice act was lodged in the Chandgodar police station by Original Complainant B.C. Solanki Police Inspector of Kerela GIDC police station of Ahmedabad Rural alleging the respondents herein of exploitation of child Labour.</p> <p>In the stated FIR, the Victim (Ms. Muskan being of age less than 18 years) was stated to have allegedly been kidnapped by one Mr. Prashant Gunvantbhai bhadarka (the accused). However during the investigation of the FIR, both the victim and the accused were found working together at the packaging area of Accretion Pharmaceuticals and Accretion Nutraveda Private Limited. The Victim being of age less than 18 years, the investigating PI of Kerela GIDC Police Station, lodged another complaint at Chandgodar Police Station for the offences punishable under section 3A, 14(1)1(A) of Child labour (Prohibition and Regulation) act 1986 and Section 79 of Juvenile Justice (Care and Protection of children) Act, 2015. Post investigation of the FIR, a chargesheet dated November 18, 2023 was filed, alleging the respondents herein of exploitation of child labour and accordingly the instant petition had been filed.</p> <p><b>Connected matter:</b>  <u>1. Mayurbhai Popatbhai Sojitra; 2. Harshadbhai Nanubhai Rathod (Applicant / Accused No. 4 &amp; 6 of the original petition) V/s. State of Gujarat (Respondent / Original Complainant)</u></p> <p>Aggrieved by the charges levied in the original petition, the accused No. 4 &amp; 6 (Accused no. 1 &amp; 2 herein) being the office bearers of</p>		<p><i>ordered to be transferred to the Children Court under the Juvenile Justice (Care and Protection of Children) Act, 2015</i></p>	
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	<p>Accretion Pharmaceuticals and Accretion Nutraveda Private Limited, respectively in the original matter, filed the instant application for discharge among other grounds, the one being that they have been made parties to the original matter only on the grounds of circumstances and that they do not have any involvement in the matter.</p> <p><i>The above case no. 3565/202 along with the discharge petition has however been disposed off vide order dated May 08, 2024, 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 &amp; Sessions Judge.</i></p>			
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For further details of the outstanding litigation proceedings, see “Outstanding Litigation and Material Developments” on page 243.

### Risk factors

Please see “Risk Factors” on page 34.

### Summary of contingent liabilities of our Company

The following is a summary table of our contingent liabilities as of June 30, 2024:

Particulars	As on July 20, 2024 (Amount in Rs. Lakh)
Guarantees given by the Company to the bankers against which fixed deposits have been placed with the bank under lien.	Nil
Letter of credit outstanding given by the Company to the bankers against which fixed deposits have been placed with the bank under lien.	Nil

For details, see “Financial Statements” on page 229.

### Summary of Related Party Transactions

As required under Accounting Standard 18 “Related Party Disclosure” (AS-18), following are the details of transactions during the year with the related parties of the Company as defined in AS 18:

(a) Key Managerial Personnel

Sr. No	Name of the related parties	Relations
1	Mr. Harshad N Rathod	Promotor
2	Mr. Mayur P Sojitra	Promotor
3	Mr. Vivek A Patel	Promotor

4	Mr. Hardik M Prajapati	Promotor
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(b) Relatives of Key Managerial Personnel

Sr. No	Name of the related parties	Relations
1	Mrs. Pooja H Rathod	Relative of director
2	Mrs. Shweta M Sojitra	Relative of director
3	Mrs. Ankita V Patel	Relative of director
4	Mrs. Vaishaki H Prajapati	Relative of director
5	Madhavdas Ghetiya	Relative of director
6	Madhavdas Ghetiya HUF	Relative of director
7	Rekhaben Ghetiya	Relative of director

(c) Entities where control exists

Sr. No	Name of the related parties	Relations
1	Accretion Nutraveda Pvt Ltd	Common Director

B) Disclosure in respect of transactions with Related Parties:

(Amount in Lakhs.)

Nature of Transaction		As at 20 July 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
<b>Directors Remuneration</b>					
	Mr. Harshad N Rathod	4.00	2.75	-	-
	Mr. Mayur P Sojitra	4.00	2.75	-	-
	Mr. Vivek A Patel	4.00	2.75	-	-
	Mr. Hardik M Prajapati	4.00	2.75	-	-
<b>Partner's Remuneration</b>					
	Mr. Harshad N Rathod	-	-	4.00	3.50
	Mr. Mayur P Sojitra	-	-	4.00	3.50
	Mr. Vivek A Patel	-	-	4.00	3.50
	Mr. Hardik M Prajapati	-	-	4.00	3.50
<b>Salary</b>					
	Mrs. Pooja H Rathod	2.00	1.50	7.00	6.50
	Mrs. Shweta M Sojitra	2.00	1.50	7.00	6.50
	Mrs. Ankita V Patel	2.00	1.50	7.00	6.50
	Mrs. Vaishaki H Prajapati	2.00	1.50	7.00	6.50
<b>Interest paid on capital</b>					

	Mr. Harshad N Rathod	-	-	10.08	9.76
	Mr. Mayur P Sojitra	-	-	10.26	10.95
	Mr. Vivek A Patel	-	-	10.31	10.96
	Mr. Hardik M Prajapati	-	-	9.19	6.77
<b>Interest paid on loan</b>					
	Mr. Harshad N Rathod	2.54	-	-	-
	Mr. Mayur P Sojitra	2.40	-	-	-
	Mr. Vivek A Patel	2.56	-	-	-
	Mr. Hardik M Prajapati	2.31	-	-	-
	Madhavdas Ghetiya	-	-	1.08	1.08
	Madhavdas Ghetiya HUF	-	-	-	0.48
	Rekhaben Ghetiya	-	-	1.08	1.08
<b>(#before conversion all partner had agreed not to provide any interest on capital as same capital was to be converted into share capital of new company)</b>					
		-	-		
<b>Loan Taken from Directors</b>					
	Mr. Harshad N Rathod	3.00	110.56	-	-
	Mr. Mayur P Sojitra	-	108.35	-	-
	Mr. Vivek A Patel	3.00	111.89	-	-
	Mr. Hardik M Prajapati	0.75	105.93	-	-
<b>Loan Repaid</b>					
	Mr. Harshad N Rathod	82.13	-	-	-
	Mr. Mayur P Sojitra	76.78	-	-	-
	Mr. Vivek A Patel	83.47	-	-	-
	Mr. Hardik M Prajapati	75.02	-	-	-
<b>Loan Taken from relatives</b>					
	Madhavdas Ghetiya	-	-	-	9.00
	Madhavdas Ghetiya HUF	-	-	-	-
	Rekhaben Ghetiya	-	-	-	9.00

<b>Purchase of goods from entities where control exists</b>					
	Accretion Nutraveda Pvt Ltd	19.23	34.56	-	-
<b>Sale of goods to entities where control exists</b>					
	Accretion Nutraveda Pvt Ltd	41.32	45.12	-	-
<b>Equity contribution</b>					
	Mr. Harshad N Rathod	75.00	96.00	-	-
	Mr. Mayur P Sojitra	75.00	96.00	-	-
	Mr. Vivek A Patel	75.00	96.00	-	-
	Mr. Hardik M Prajapati	75.00	96.00	-	-
	Mrs. Pooja H Rathod	-	4.00	-	-
	Mrs. Shweta M Sojitra	-	4.00	-	-
	Mrs. Ankita V Patel	-	4.00	-	-
	Mrs. Vaishaki H Prajapati	-	4.00	-	-
		<b>300.00</b>	<b>400.00</b>	-	-
<b>Bonus shares issued</b>					
	Mr. Harshad N Rathod	93.15	-	-	-
	Mr. Mayur P Sojitra	93.15	-	-	-
	Mr. Vivek A Patel	93.15	-	-	-
	Mr. Hardik M Prajapati	93.15	-	-	-
	Mrs. Pooja H Rathod	3.60	-	-	-
	Mrs. Shweta M Sojitra	3.60	-	-	-
	Mrs. Ankita V Patel	3.60	-	-	-
	Mrs. Vaishaki H Prajapati	3.60	-	-	-

		<b>387.00</b>	-	-	-
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For details of the related party transactions and as reported in the Restated Financial Statements, see “Financial Statements – Notes to Related Party Disclosures” on page 229.

### Financing arrangements

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, the directors of our Promoters, 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 the Draft Prospectus.

### Weighted average price at which specified security was acquired by Promoter, in the last one year.

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

Name	No. of Equity Shares Acquired	Weighted Average Price per Equity Share (amount in Rs.)
<b>Promoter</b>		
Mr. Mayur Popatlal Sojitra	19,66,500	8.70
Mr. Harshad Nanubhai Rathod	19,66,500	8.70
Mr. Vivek Ashok Kumar Patel	19,66,500	8.70
Mr. Hardik Mukundbhai Prajapati	19,66,500	8.70

*As certified by M/s V S S B & Associates, Chartered Accountants, pursuant to their certificate dated August 20, 2024.*

### Average cost of acquisition of Equity Shares for the Promoter

The average cost of acquisition per Equity Share at which Equity Shares were acquired by our Promoter as at the date of this Draft Red Herring Prospectus is as follows:

Name	No. of Equity Shares Acquired	Average Price per Equity Share (amount in Rs.)
<b>Promoter</b>		
Mr. Mayur Popatlal Sojitra	19,66,500	8.70
Mr. Harshad Nanubhai Rathod	19,66,500	8.70
Mr. Vivek Ashok Kumar Patel	19,66,500	8.70
Mr. Hardik Mukundbhai Prajapati	19,66,500	8.70

*As certified by M/s V S S B & Associates, Chartered Accountants, pursuant to their certificate dated August 20, 2024.*

### Issue of Equity Shares for consideration other than cash in the one year preceding the date of this Draft Prospectus

Except as stated below, our Company has not issued any Equity shares for consideration other than cash:

Date	of	No. of	Face	Issue	Reason for	Benefits	Allottees
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Allotment	Equity Shares allotted	Value (in Rs.)	Price (In Rs.)	allotment	accrued to our Company	
July14, 2024	3,870,000	10	-	Bonus Issue in the ratio of 9:10, made to the existing shareholders of the Company	Expansion of Business	Refer to Note 1

**Note 1:** The Names of the allottees, being the shareholders to whom 3,870,000 Equity Shares of the Company of face value of Rs. 10 each, were allotted on July 14, 2024, for consideration other than cash, in terms of the Bonus Issue in the ratio of 9:10, is provided below:

S. No.	Name of the Allottee	No. of shares allotted
1	Mayurbhai Popatlal Sojitra	931500
2	Vivek Ashok Kumar Patel	931500
3	Harshad Nanubhai Rathod	931500
4	Hardik Mukundbhai Prajapati	931500
5	Ankita Vivek Patel	36,000
6	Pooja Harshad Rathod	36,000
7	Shweta Sojitra	36,000
8	Vaishaki Hardik Prajapati	36,000
	<b>Total</b>	<b>38,70,000</b>

#### Split/ Consolidation of equity shares in the last one year

Our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Draft Prospectus.

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

Our Company has not sought any exemption from SEBI for complying with any provisions of the securities law.

## SECTION III: RISK FACTORS

*An investment in 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 our 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 a legal and regulatory environment that may differ significantly from that of other countries.*

*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 “Industry Overview”, “Business Overview”, “Restated Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 133, 141, 229 and 232, respectively. In making an investment decision, prospective investors must rely on their own examination of our business and the terms of the Issue, 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 contains forward-looking statements that involve risks, assumptions and uncertainties and reflect our current view with respect to future events and financial performance, 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 21. 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.*

*The risk factors have been determined on the basis of their materiality. Some events may not be material individually but may be found to be material collectively, some events may have a material impact qualitatively instead of quantitatively and some events may not be material at present but may have material impacts in the future.*

*Our Company’s financial year commences on April 1 and ends on March 31 of the immediately subsequent year. Unless otherwise indicated or the context otherwise requires, the financial information for the period ended July 20, 2024 and for the financial years 2024, 2023 and 2022 included herein is derived from the Restated Financial Information included in this Draft Red Herring Prospectus.*

### INTERNAL RISK FACTORS

- 1. We have certain outstanding litigation against us, an adverse outcome of which may adversely affect our business, reputation and results of operations.**

A summary of outstanding matters set out below includes details of civil and criminal proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation involving us, our Subsidiary, Directors, Promoter and Group Company, as at the date of this Draft Prospectus.

#### Cases against our Company

Nature of Cases	No of Outstanding Cases	Amount involved (In Lakhs)
Criminal Complaints	--	--

Statutory/ Regulatory Authorities	--	--
Taxation Matters	--	--
Other Litigation	1	unascertained

#### Cases by our Company

Nature of Cases	No of Outstanding Cases	Amount involved (In Lakhs)
Criminal Complaints	1	3.72
Statutory/ Regulatory Authorities	--	--
Taxation Matters	--	--
Other Litigation	--	--

#### Cases against our Director and / or Promoters

Nature of Cases	No of Outstanding Cases	Amount involved (In Lakhs)
Criminal Complaints	1	unascertained
Statutory/ Regulatory Authorities	--	--
Taxation Matters	--	--
Other Litigation	--	--

*\*Our Promoter is also the director of the Company. Hence litigation against them has not been included under the heading of director to avoid repetition. Also there is only a single matter registered against two of our promoters cum directors in which both have been made parties. Since the matter is single, we have included it as a single matter instead of separately mentioning single matter separately for 2 directors.*

The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities.

We cannot assure you that any of the outstanding litigation matters will be settled in our favour or that no additional liabilities will arise out of these proceedings. In addition to the above, we could also be adversely affected by complaints, claims or legal actions brought by persons, including before consumer forums or sector-specific or other regulatory authorities in the ordinary course of business or otherwise, in relation to our business operations, our intellectual property, our branding or marketing efforts or campaigns or our policies. We may also be subject to legal action by our employees and/or former employees in relation to alleged grievances, such as termination of employment. We cannot assure you that such complaints, claims or requests for information will not result in investigations, enquiries or legal actions by any regulatory authority or third persons against us.

For further details of certain material legal proceedings involving our Company, our Promoter, our directors, see “*Outstanding Litigations and Material Developments*” beginning on page 243 of this Draft Red Herring Prospectus.

- 2. Our Company operates in pharmaceutical sector, which is extensively regulated, any failure on our part to comply with the existing and future statutory and/or regulatory requirements in the pharmaceutical sector could adversely affect our business, results of operations and financial condition.**

We are subject to laws and government regulations in India and other jurisdictions in relation to our manufacturing operations, safety, health, environmental protection and labour. We are

required to comply with several environmental laws such as the Environment Protection Act, 1986 and rules issued thereunder, the Air (Prevention and Control of Pollution) Act, 1981, the Water (Prevention and Control of Pollution Act) Act, 1974, Hazardous and Other Wastes (Management, Handling and Transboundary Movement) Rules, 2016, and the Bio-Medical Waste Management Rules, 2016. For details on laws and government regulations applicable to our business, see “Key Industry Regulations and Policies” beginning on page 169. 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 toward the government and third parties and may result in our incurring costs to remedy any such discharge or emission.

We are required to obtain and maintain a number of statutory and regulatory permits, licenses and approvals under central, state and local government rules in India, generally for carrying out our business and for our manufacturing unit. For details of applicable regulations and material approvals relating to our business and operations, see “Key Industry Regulations and Policies” and “Government and Other Approvals” beginning on pages 169 and 252, respectively. Further, our manufacturing unit may also be subject to audits by and approval of international regulatory authorities.

Our products, including the process of manufacturing, storage and distribution of such products, are subject to numerous laws and regulations in relation to quality, health and safety. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment, emissions management, and other expenditure to comply with environmental standards. Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings being commenced against us, third party claims, or the levy of regulatory fines.

Some of these statutory and regulatory permits, licenses and approvals are granted for fixed periods of time and need renewal from time to time. Non-renewal of the said permits and licenses would adversely affect our Company’s operations, thereby having a material adverse effect on our business, results of operations and financial condition.

Further, except as disclosed below, there are no material approvals or renewals which our Company have applied for, but which have not been received:

Sr. No.	Description	Address of the Premises	Issuing Authority	When to be Applied
1	Legal Metrology Packaged Commodities (LMPC) certificate	M/s. Accretion Pharmaceuticals Limited 29, Xcelon Industrial Park-1, Behind Intas Pharmaceuticals, Vasna Chacharwadi, Sanand, Ahmedabad, Gujarat-382213	Ministry of consumer affairs	Immediately

There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Further, some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals. If we fail to obtain, maintain or renew such approvals, licenses, registrations and permissions, in a timely manner or at all, our business, results of operations, cash flows and financial condition may be adversely affected.

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

As a manufacturer of pharmaceutical formulations, we are required to comply with the regulations and quality standards stipulated by the regulatory authorities in India and the countries to which we export our products.

If we are not in compliance with the requirements prescribed by such authorities or terms stipulated in contracts with our clients, we may be subject to regulatory actions, including issuance of warning letters, imposition of sanctions, amendment or withdrawal of our existing approvals, product seizure, interruption of our operations, or claims resulting from non-compliance with contractual obligations. Any such actions may adversely affect our business, results of operations, financial condition and cash flows.

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

**4. We have a very limited operating history as a Company, which may make it difficult for investors to evaluate our historical performance or future prospects.**

Our Company was incorporated as Accretion Pharmaceuticals Limited on November 29, 2023, under the provisions of the Companies Act, 2013. Prior to the incorporation of our Company, the current business was being carried out under M/s Accretion Pharmaceuticals, a partnership firm registered under the provisions of the Partnership Act, 1932 and whose erstwhile Partners are the current Promoters of our Company, viz., Mr. Harshad Nanubhai Rathod, Mr. Vivek Ashokkumar Patel, Mr. Mayur Popatlal Sojitra and Mr. Hardik Mukundbhai Prajapati. The Partnership Firm was converted into a public limited Company pursuant to a resolution passed by the erstwhile partners of the partnership firm in their meeting held on October 16, 2023 and after following due process prescribed under relevant provisions of the Companies Act, 2013. Thus, we have a very limited operating history from which the investors might evaluate our business and future prospects and viability. For further details, relating to our Company, please refer to chapters titled “Business Overview”, “History and Corporate Structure of Our Company”, and “Restated Financial Information” of our Company beginning on page 141, 183 and 229, respectively.

**5. We have only one Manufacturing Facility, continued operations of our manufacturing facility is critical to our business and any disruption in the operation of our manufacturing facility may have a material adverse effect on our business, results of operations and financial condition.**

As on the date of this Draft Red Herring Prospectus, we have only one manufacturing facility situated at Sanad, Ahmedabad, Gujarat. Our manufacturing facility is subject to operating risks, such as unavailability of spare parts of the machinery, break- down, obsolescence or failure of machinery, disruption in power supply or processes, performance below expected levels of efficiency, any local social unrest, natural disaster or breakdown of services and utilities in these areas could have material adverse effect on the business, financial position and results of our operations. In the event, we are forced to shut down our manufacturing unit for a prolonged period; it would adversely affect our earnings, our other results of operations and financial condition as a whole. Spiralling cost of living around our unit may push our manpower costs in the upward direction, which may reduce our margin and cost competitiveness. In addition to the above if our manufacturing unit suffers losses as a result of any industrial accident, we may be forced to shut down our manufacturing unit which could result in us being unable to meet with our commitments, which will have an adverse effect on our business, results of operation and

financial condition. Further, any contravention of or non-compliance with the terms of various regulatory approvals applicable to our manufacturing unit may also require us to cease or limit production until such non-compliance is remedied to the satisfaction of relevant regulatory authorities.

We cannot assure you that we will not experience work disruptions in the future resulting from any dispute with our employees or other problems associated with our employees and the labor involved in our manufacturing unit, which may hinder our regular operating activities and lead to disruptions in our operations, which could adversely affect our business, prospects, financial condition, cash flows and results of operations.

**6. We generate a significant percentage of our revenue from few clients. The loss of any one or more of our major clients would have a material adverse effect on our business operations and profitability.**

We depend on certain customers who have contributed a substantial portion of our total revenues.

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:

Particulars	Revenue from Operations for the period ended July 20, 2024		Revenue from Operations for the Fiscal Year					
			2023-24		2022-23		2021-22	
	Rs. In Lakhs	%	Rs. In Lakhs	%	Rs. In Lakhs	%	Rs. In Lakhs	%
Revenue from top 1 customer as % to revenue from operations	216.93	18%	506.32	15.04%	481.31	16.38%	498.66	22.37%
Revenue from top 5 customer as % to revenue from operations	770.86	66%	1920.31	57.04%	1492.31	50.79%	746.4	33.48%
Revenue from top 10 customer as % to revenue from operations	1030.65	88%	2456.86	72.98%	2233.20	70.01%	853.95	38.31%

We have not entered into long term agreements with majority of these customers and the success of our business is accordingly significantly dependent on maintaining good relationship with them. The loss of a significant client or clients may have a material adverse effect on our results of operations/cash flow.

We cannot assure you that we will be able to maintain the historical levels of business from these clients or that we will be able to substitute the revenues lost by way of termination of work with these clients. Our dependence on these clients also exposes us to risks associated with their internal management, financial condition and creditworthiness, and major events affecting these clients such as bankruptcy, change of management, mergers and acquisitions, reduction in growth or a slow-down in the business of our clients, could adversely impact our business. If any of our major clients becomes bankrupt or insolvent, we may lose some or all of our business from that client and our receivables from that client may have to be written off, adversely impacting our results of operations and financial condition.

**7. Our top ten suppliers contribute majority of our purchases. Any loss of business with one or more of them may adversely affect our business operations and profitability.**

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:

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

However, our top suppliers may vary from period to period depending on the demand-supply mechanism and thus the supply process from these suppliers might change as we continue to seek more cost-effective suppliers in the normal course of business. Since our business is concentrated among relatively few significant suppliers, we could experience a reduction in our purchases and business operations if we lose one or more of these suppliers, including but not limited on account of any dispute or disqualification. While we believe we have maintained good and long-term relationships with our other suppliers too, there can be no assurance that we will continue to have such a long-term relationship with them. We cannot be assured that we shall do the same quantum of business, or any business at all, with these customers, and loss of business with one or more of them may adversely affect our purchases and business operations.

**8. Our business operations are concentrated in the Gujarat, any adverse developments affecting our operations in this region could have a significant impact on our revenue and results of operations.**

We generate major revenue through our customers situated in the Gujarat, India. During the period ended July 20, 2024 and the financial year ended March 31, 2024, our 93.89% and 89.03% revenues were generated solely from Gujarat, India. Such geographical concentration of our business in this region heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in this region, which may adversely affect our business prospects, financial conditions and results of operations.

Further, as we enter into new markets and geographical areas, we are likely to compete with not only national players, but also the local players, who might have an established local presence, and are more familiar with local business practices and have stronger relationships with local clients, relevant government authorities, suppliers or are in a stronger financial position than us, all of which may give them a competitive advantage over us. Our inability to expand into other areas may adversely affect our business prospects, financial conditions and results of operations. While our management believes that the Company has requisite expertise and vision to grow and mark its presence in other markets going forward, investors should consider our business and prospects in light of the risks, losses and challenges that we face and should not rely on our results of operations for any prior periods as an indication of our future performance.

- 9. We rely on third party providers for carrying out testing of the products manufactured by us. While we do not have direct control over such tests, any occurrence of non-compliance with applicable regulations, or any errors or omissions during the testing process could adversely affect our business, results of operations and financial condition.**

We rely on third-party providers to conduct testing of the products manufactured by us. While we do not have direct control over many aspects of their activities, however, failure or omission on the part of these third-party providers to carry out the tests as per the standard prescribed under regulatory/statutory legislations, could lead to delays in approval, and commercialization of the products manufactured by us. Moreover, non-compliance by third-party investigators with rules and regulations prescribed under the applicable regulatory framework could expose us to regulatory actions, including penalties and the potential revocation of certain licenses. Although we have not encountered such instances in the past, we cannot assure you that we will not face any instances of errors or omissions by third-party providers during testing of our products.

- 10. We do not have long-term agreements with most of our customers and the loss of one or more of them or a reduction in their demand for our products could adversely affect our business, results of operations, financial condition and cash flows.**

Our business is dependent on our continuing relationships with our customers. Our Company does not have any long-term contract with our customers. Any change in the buying preferences of our customers may adversely affect the business of our Company. The loss of or interruption of work by, a significant customer or a number of significant customers or the inability to procure new orders on a regular basis or at all may have an adverse effect on our revenues, cash flows and operations.

Our business depends on the continuity of our relationship with our customers. There can be no assurance that we will be successful in maintaining such relationships or increasing the number of such relationships. If we are not able to maintain existing relationships with our current customers or if we are not able to develop new relationships, or if we are not able to provide services on a timely basis or offer services that meet the needs of the customers, the number of customers could decline in the future and as a result, our business, prospects, results of operations and financial condition could be adversely affected in the future.

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

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

Furthermore, we also depend on third-party transportation providers for the delivery of raw materials and logistics services, and do not have long-term contractual arrangements with such providers.

Any disruptions in these services could impede our ability to secure raw materials and deliver products on time. Although we have not encountered any major disruptions in the supply of raw materials in the past, we cannot assure you that we may not encounter any delay, interruption or



reduction in the supply of raw materials in the future. Any such instance could adversely affect our business, results of operations, financial condition and cash flows.

**12. 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 229.

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.

**13. 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 229.

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.

**14. Our Company has reported certain negative cash flows from its investing activity and financing activity, details of which are given below. Sustained negative cash flows could impact our growth and business.**

Our Company had reported certain negative cash flows from its investing activity and financing activity in the previous years as per the restated financial statements and the same are summarized as under:

Amount in Rs. Lakhs

Particulars	For period ended July 20, 2024	For the year ended March 31		
		2024	2023	2022
Net cash from / (used in) operating activities	109.08	(385.69)	32.12	215.00
Net cash from / (used in) investing activities	(110.43)	(10.77)	(109.96)	(25.73)
Net cash from / (used in) financing activities	0.66	402.00	44.02	(158.49)

**15. We export our products to geographies viz. Africa, South-East Asia, and Latin America and a failure to comply with the regulatory and other requirements of such markets could have an adverse effect on our business, financial condition, results of operations and cash flows.**

We export our products to geographies viz. 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. etc. Engaging in international transactions, inherently carry following risks:

- geopolitical and economic instability;
- changes in international medical reimbursement policies and programs;
- financial risks such as longer payment cycles, difficulty collecting accounts receivable, exposure to fluctuations in foreign currency exchange rates and potential currency controls;
- trade protection measures and import or export licensing requirements;
- diverse regulatory and compliance requirements, and changes in those requirements that could restrict our ability to manufacture, market and sell our products;

Any of these factors may, individually or as a group, have a material adverse effect on our business and results of operations. As we continue to expand our existing international operations, we may encounter new risks.

Further, as we are required to comply with the regulatory requirements applicable to the markets to which we export our products, which continue to evolve and are subject to changes and as a result may, at times, be unclear or inconsistent. Consequently, we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our formulations, which may increase our costs for complying with applicable laws, rules and other requirements. While we have not faced any such instances during past, we cannot assure you that we may not be subject to regulatory actions due to our inability to comply with the applicable regulatory requirements in jurisdictions outside India in the future. Any such instance could adversely affect our business, financial condition, results of operations, and cash flows.

**16. There have been instances of incorrect and 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 incorrect filing and/or delay in filing of certain e-forms required to be filed by the Company in terms of the provisions of the Companies Act, 2013 and rules made thereunder.

We cannot assure you that such delays 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.

**17. Our business is subject to a variety of safety, health and environmental laws, labour, and workplace related laws and regulations. Any failure on our part to comply with these applicable laws and regulations could have an adverse effect on our operations and financial condition.**

Our Company is subject to various central, state and local environmental and safety laws. While we believe that our facility is currently in compliance in all material respects with applicable environmental laws, legislations and regulatory requirements, additional costs and liabilities related to compliance with these laws and regulations may impact our business. For further details, kindly refer to the chapter 'Government and Other Approvals' beginning on page 252 of this Draft Red Herring Prospectus. Further, any changes in the applicable laws and regulations in the future may create substantial environmental compliance or remediation liabilities and costs, including monetary fines, criminal penalties on our Company's officers for violation of applicable laws, or imposition of restrictions on our Company's operations (which may include temporary suspension or closure of its operations). We may also, in the future, become involved in legal or regulatory proceedings, in relation to which we may be required to comply with more rigorous environmental or safety standards, or to incur significant capital and operating expenses and / or remedial costs. These factors may adversely affect our revenues and operations.

Further, since we need labour to run our manufacturing unit, our Company is subject to variety of workplace related laws and regulations. We are required to maintain records and also file periodic returns in relation to the same. Although, we believe that we have complied with all the applicable laws and regulations, in the event of any breach of such laws and regulations, we may be subject to penal consequences which would adversely affect our operations and financial condition.

**18. Government price controls or other changes in pricing regulation could restrict the amount that we are able to charge for our current and future products, which would adversely affect our revenues and results of operations.**

Our success will depend in part on the extent to which government and health administration authorities, private health insurers and other third-party payers will pay for our products. In many countries, including India, pharmaceutical prices are subject to regulation. Price controls operate differently in different countries and can cause wide variations in prices between markets. Currency fluctuations can aggravate these differences. The existence of price controls can limit the revenues we earn from our products.

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

The pharmaceutical industry is subject to significant technological changes and novel chemical processes. While we aim to keep our technology and machinery aligned with global standards, the technology and machinery we employ may become obsolete. We cannot assure you that we will be able to successfully make timely and cost-effective enhancements and additions to our technological infrastructure and keep up with technological improvements in order to cater for the specifics of our new products, geographical requirements and marketing needs. Furthermore, any new technologies we adopt from time to time may not perform as well as expected. The cost of implementing new technologies, and upgrading our manufacturing unit's infrastructure could be significant and higher than initially anticipated. Our failure to manage and implement new

technologies in a cost-efficient manner, or at all, could adversely affect our business, results of operations, cash flows and financial condition.

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

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

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

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

**21. Product reliability, safety and effectiveness concerns can have significant negative impacts on sales and results of operations, lead to litigation and cause reputational damage.**

Concerns about product safety, whether raised internally or by litigants, regulators or consumer advocates, and whether or not based on scientific evidence, can result in safety alerts, product recalls, governmental investigations, regulatory action, private claims and lawsuits, payment of fines and settlements, declining sales and reputational damage. These circumstances can also result in damage to brand image, brand equity and consumer trust in the Company's products. Product recalls have in the past, and could in the future, prompt government investigations and inspections, the shutdown of manufacturing facilities, sales declines, significant remediation costs, reputational damage, possible civil penalties and criminal prosecution.

**22. The Company faces significant regulatory scrutiny, which imposes significant compliance costs and exposes the Company to government investigations, legal actions and penalties.**

The rapid increase in government laws and regulations imposes significant compliance costs to the Company and a failure of the Company to timely implement changes to comply with these new laws may expose the Company to investigations, legal actions or penalties. As a Company operating in pharmaceutical sector, we are governed by various legislations in India and in the Countries where we export our products. Non-compliance with applicable legislations can lead to fines and penalties, product recalls, interruptions in production, delays in new product approvals and litigation.

**23. 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. 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 our business, prospects, results of operations and financial condition could suffer.

**24. The Company is yet to place order towards its capital expenditure requirement as mentioned in our Objects of the Issue. Any delay in placing orders/ procurement of machinery, may delay our implementation schedule and may also lead to increase in price of these machineries.**

We are yet to place orders for Capital expenditure towards purchase of new equipment/machineries of Rs. 213.74 Lakhs and Capital expenditure towards upgradation of existing manufacturing facility of Rs. 477.02 Lakhs proposed to be funded from proceeds of the issue and as detailed under Objects of the Issue, beginning on page 102 of this Draft Red Herring Prospectus. While we have obtained quotations from various vendors in relation to the machinery proposed to be procured, most of these quotations are valid for a certain period of time and may be subject to revisions. We cannot assure that we will be able to procure the machinery within the costs indicated by such quotations or at all. Any cost overrun due to our failure to purchase the machinery within our budget, could adversely impact our financial condition and also our growth prospects.

**25. Our working capital requirements, towards which we intend to deploy Rs. [●] Lakhs from the Net Proceeds, are based on certain assumptions. Any change in working capital requirements on account of such assumptions may materially adversely affect our results of operations and profitability**

We propose to utilise an amount of Rs. [●] Lakhs from the Net Proceeds to fund working capital requirements of our Company. The working capital requirements have been reached at on the basis of certain assumptions, including historical holding levels of raw materials and trade receivables. For further details of the working capital requirements of the Company, please see “Objects of the Issue” beginning on page 102 of this Draft Red Herring Prospectus. There can be no guarantee that the assumptions on the basis of which we have arrived at our working capital estimates will fructify or hold good for any period in the future. Any deviations from our estimates will cause our estimates to be incorrect and our working capital requirements maybe subject to change on the basis of such estimates being incorrect or inaccurate.

Any such deviations in our estimates and the actuals may cause our working capital requirements to differ significantly from the estimates stated herein, including falling short of our actual working capital requirements for future period. Any such shortfall in working capital requirements may materially adversely affect our results of operations and profitability.

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

We propose to utilize the Net Proceeds towards a. Capital expenditure towards purchase of new equipment/machineries, etc.; b. Capital expenditure towards upgradation of existing manufacturing facility; c. Expenditure in connection with product registration in overseas market; d. Repayment/prepayment of certain borrowings availed by our Company; e. Funding working capital requirements; in the manner specified in “Objects of the Issue” on page 102. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other

expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Sections 13(8) and 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilization of the Net Proceeds, we may not be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

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 Issue or vary the terms of such contracts, 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 the variation of 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 undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, or vary the terms of any contract referred to in the Draft Red Herring Prospectus and the 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 Net Proceeds, if any, or varying the terms of the contract, which may adversely affect our business and results of operations.

**27. We have incurred indebtedness and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our business and financial condition.**

As of July 20, 2024, we had total outstanding borrowings of Rs. 172.54 Lakhs secured borrowings and Rs. 423.18 Lakhs unsecured borrowings. As a part of financing agreements and/or arrangements, we are obligated to adhere to the repayment and other covenants.

While we have not defaulted on any covenants in financing agreements in the past, we cannot assure you that this will continue to be the case in the future. A failure to observe the covenants under our financing arrangements or to obtain necessary waivers, constitute defaults under the relevant financing agreements and will entitle the respective lenders to declare a default against us and enforce remedies under the terms of the financing agreements. If the obligations under any of our financing documents are accelerated, we may have to dedicate a 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. In addition, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. For details of our borrowings, see "Financial Indebtedness" on page 240.

Further, we are susceptible to changes in interest rates and the risks arising therefrom. Under certain of our financing agreements, the lenders are entitled to charge the applicable rate of interest, which is a combination of a base rate/MCLR rate that depends upon the policies of the RBI and a contractually agreed spread, and in the event of an adverse change in our Company's credit risk rating. Further, in recent years, the GoI has taken measures to control inflation, which included tightening the monetary policy by raising interest rates. As such, any increase in interest

rates may have an adverse effect on our business, results of operations, cash flows, and financial condition.

**28. Entities such as M/s Accretion Nutraveda Private Limited, M/s Accresha Lifecare Private Limited and M/s Accretion Inc. belonging to our Promoter Mr Vivek Ashok Kumar Patel, Mr. Harshad Nanubhai Rathod, Mr. Hardik Mukundbhai Prajapati and Mr. Mayur Popatlal Sojitra has objects similar to that of our Company’s business and is engaged in the similar line of business / industry in which our Company operates.**

- **M/s Accretion Nutraveda Private Limited**
- **M/s Accresha Lifecare Private Limited**
- **M/s Accretion Inc.**

Abovementioned entities belonging to our Promoters are engaged in the similar line of business / industry in which our Company operates and could offer services that are related to the business of our Company. This may be a potential source of conflict of interest in addressing business opportunities, strategies, implementing new plans and affixing priorities. As on date, there are no non-compete arrangements in order to avoid the conflict of interest envisaged above.

**29. Our Promoters and some of our Directors have interests in our Company other than the reimbursement of expenses and normal remuneration or benefits. Any such interests may result in a conflict of interest, which may have an adverse effect on our business.**

Our Promoters and Directors being Mr. Harshad Nanubhai Rathod, Mr. Vivek Ashokkumar Patel, Mr. Mayur Popatlal Sojitra and Mr. Hardik Mukundbhai Prajapati may be deemed to be interested in our Company, in addition to regular remuneration or benefits and reimbursements of expenses, to the extent of Equity Shares held by them, their relatives, their dividend or bonus entitlement, benefits arising from their directorship in our Company, and to the extent of sitting fees, if any, payable to them for attending each of our Board and Committee meetings. Some of the above interests may conflict with the duties of these persons as Promoters / Directors of the Company. For further details, kindly refer the chapters titled “Our Management” and “Our Promoters and Promoter Group” beginning on pages 187 and 216, respectively of this Draft Red Herring Prospectus.

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

As a contract development and manufacturing organization (“CDMO”), our operations are subject to government policies, international standards and prescribed client quality norms. We typically enter into contracts with other pharmaceutical companies to provide manufacturing solutions. These contracts are typically for a period of three years and are renewable by us as per mutually agreeable terms.

We are required to meet quality standards and other specifications set out in our contractual arrangements or as prescribed under the applicable regulatory framework. Further, as per the terms of a majority of our contractual obligations, we are responsible for the procurement of raw materials and packaging materials, in strict adherence to client specifications and regulatory requirements. Disputes over non-conformity of products manufactured by us with such quality standards or specifications, or our inability to procure appropriate materials may lead to a disruption in our business, and may expose us to legal, financial and reputational risks. As a

manufacturer, we are also subject to the risk of our products being returned to us or claims resulting from manufacturing defects or negligence in storage and handling of products.

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

**31. Any failure in our quality control processes may adversely affect our business, results of operations and financial condition.**

We may face product liability claims and legal proceedings if the quality of our products does not meet our customers' expectations. Our products may contain certain quality issues or undetected errors, due to defects in manufacture of products or raw materials which are used in the products. We have implemented quality control processes for our raw materials and finished goods on the basis of internal quality standards. However, we cannot assure you that our quality control processes, or our product will pass the quality tests and inspections conducted by various international and domestic agencies as per their prescribed standards will not fail. Any shortcoming in the raw materials procured by us or in the production of our products due to failure of our quality control procedures, negligence and human error or otherwise, may damage our products and result in deficient products. It is imperative for us to meet the quality standards set by our customers and agencies as deviation from the same can cause them to reject our products and can also cause damage to our reputation, market standing and brand value. In the event the quality of our products is sub-standard, or our products suffer from defects and are returned by our customers due to quality complaints, we might be compelled to take back the substandard products and reimburse the cost paid by our customers. Such quality lapses could strain our longstanding relationship with our customers and our reputation and brand image may suffer, which in turn may adversely affect our business, results of operations and financial condition. Our customers may lose faith in the quality of our products and could in turn refuse to further deal in our products, which could have a severe impact on our revenue and business operations. We also face the risk of legal proceedings and product liability claims being brought against us by our customers for defective products sold. We cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims. A product liability claim may adversely affect our reputation and brand image, as well as entail significant costs.

**32. The Company's businesses operate in highly competitive product markets and competitive pressures could adversely affect the Company's earnings.**

The Company's businesses compete with companies of all sizes on the basis of cost-effectiveness, technological innovations, intellectual property rights, product performance, real or perceived product advantages, pricing and availability. The Company also competes with other market participants in securing rights to acquisitions, collaborations and licensing agreements with third parties. Competition for rights to product candidates and technologies may result in significant investment and acquisition costs and onerous agreement terms for the Company. Competitors' development of more effective or less costly products, and/or their ability to secure patent and other intellectual property rights and successfully market products ahead of the Company, could negatively impact sales of the Company's existing products as well as its ability to bring new products to market despite significant prior investment in the related product development.

Development by other companies of new or improved products, processes and technologies could threaten to make the Company's products or technologies less desirable, less economical or obsolete. The Company's business and operations will be negatively impacted if we are unable to



introduce new products or technological advances that are safe, more effective, more effectively marketed or otherwise outperform those of our competitors.

**33. 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. For a list of related parties, please see Note 30 of the Chapter titled “Financial and other Information” beginning on page 229 of this Draft Red Herring Prospectus. While we believe that all such transactions have been conducted on an arm’s length basis, there can be no assurance that we could not have achieved more favourable 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. 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.

**34. If we are unable to establish and maintain an effective system of internal controls and compliances, our business and reputation could be adversely affected.**

Since our Company was recently given a corporate form, we are in the process of setting up internal controls and compliance system for our business. Accordingly, at this stage we cannot assure that there are no deficiencies in statutory and/or regulatory compliances. Further we cannot assure that deficiencies in our internal controls will not arise or that we will be able to implement and continue to maintain adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. If we are unable to establish and maintain an effective system of internal controls and compliances, our business and reputation could be adversely affected.

**35. Our success depends largely upon the knowledge and experience of our Promoters, other Key Managerial Personnel and Senior Management. Any loss of our key managerial personnel or our ability to attract and retain them could adversely affect our business, operations and financial condition.**

Our Promoters, Mr. Vivek Ashokkumar Patel, Mr. Harshad Nanubhai Rathod, Mr. Mayur Popatlal Sojitra and Mr. Hardik Mukundbhai Prajapati have collective experience of more than 5 decades in the manufacturing and supply of pharmaceutical products. They have been crucial to the growth of our business and we are highly dependent on our Promoters to manage our current operations and to meet future business challenges. Our Promoters, along with our Key Managerial Personnel and Senior Management, who form an integral part of our Company, have over the years built relations with suppliers, customers and other key stakeholders associated with our Company. Our future performance will depend largely on our ability to retain the continued service of our management team. If one or more of our key managerial personnel or Senior Management are unable or unwilling to continue in his / her present position, it could be difficult for us to find a suitable or timely replacement and our business could be adversely affected. Further, since the demand for the key managerial personnel/Senior Management is very robust, in order to retain them, our Company may be required to offer them higher compensation packages by way of higher pay and more perquisites. This may adversely affect our business, financial condition and results of operations.

**36. The underperformance of our products could negatively impact our business, financial health, and operational outcomes.**

Our success heavily relies on our ability to introduce new pharmaceutical products both in India and internationally. This process entails developing, testing, and securing the necessary regulatory approvals, all while adhering to stringent safety and regulatory standards. To create a marketable product, we must prove through rigorous clinical trials that our products are safe and effective for human use. However, the products we are currently developing might not meet our performance expectations, may face delays or denials in obtaining regulatory approvals, and we may struggle to produce and market these products profitably. Moreover, even if we successfully develop a new product, it might face litigation from third parties alleging patent infringement, or it could be seized by regulatory authorities for suspected intellectual property violations. Additionally, our new products might fail in the marketplace if competitors introduce superior alternatives. It may also take a significant amount of time for our new products to gain market acceptance, if they do at all.

**37. Inadvertent patent infringement could negatively affect our business.**

The pharmaceutical industry is prone to extensive patent litigation, sometimes initiated by competitors to delay patent grants. Such litigation can result in significant damages and injunctions that might halt the sale of certain products or force us to pay substantial royalties to continue selling them. While the outcomes of patent litigations are unpredictable, an adverse ruling could prevent us from selling our products or require us to pay significant damages or royalties, hindering our ability to enforce our rights against others. These risks could adversely impact our business, financial condition, and operational outcomes.

**38. 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 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.

**39. Expanding into new markets carries inherent risks.**

Our expansion into new markets, both domestically and internationally, presents several challenges. These include unfamiliarity with local culture, legal regulations, economic conditions, language barriers, staffing and management difficulties, and a lack of brand recognition. The risks associated with entering new geographic regions might be higher than anticipated, and we could face intense competition. Operating in new markets subjects us to additional risks such as complying with a wide array of local laws, regulations, and practices, which may change unpredictably. We may encounter challenges like fluctuating currency exchange rates, difficulties in enforcing legal rights, adverse tax implications, different accounting standards, stringent labour and other regulations, varying customs, tariffs, and taxes, and potential government actions like expropriation. Political, economic, and social instability in these new markets could also pose significant challenges.

**40. All of our product verticals are extremely competitive segments and we face risk of competition affecting our margins and profitability as we scale our operations.**

Our purchase and sales models include various intermediaries who may connect with our

competitors and share details of the specialities of our products or our sourcing processes etc. We may not be able to protect our trade secrets and may not be able to detect the same as well. We have not entered into any non-disclosure agreements with our intermediaries and thus our efforts towards marketing of our products may be leaked to other players in the market. This may affect the demand and exclusivity of our products and make us subject to fierce competition thereby adversely affecting our business, financial condition and results of operations.

**41. Global health crises, pandemics, epidemics, or other outbreaks could adversely disrupt or impact certain aspects of the Company's business, results of operations and financial condition.**

We are subject to risks associated with global health crises, epidemics, pandemics and other outbreaks (such incident(s), a health crisis or health crises). For example, the COVID-19 pandemic adversely impacted certain aspects of the Company's business, results of operations and financial condition, including lower sales and reduced customer demand and usage of certain of our products. The spread of any health crises may cause the Company to modify its business practices, and take further actions as may be required by government authorities or as the Company determines are in the best interests of our patients, customers, employees and business partners under such circumstances. Health crises could adversely impact the Company's operations, including, among other things, our manufacturing operations, supply chain, third-party suppliers, sales and marketing, etc. Any of these factors could adversely affect the Company's business, financial results, and global economic conditions generally.

**42. The deployment of funds raised through this Issue shall not be subject to any Monitoring Agency and shall be purely dependent on the discretion of the management of our Company.**

Since the Issue size is less than Rs. 10,000.00 Lakh there is no mandatory requirement of appointing an independent monitoring agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of these funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

**43. We have not made any alternate arrangements for meeting our regular working capital requirements. If our operations do not generate the necessary cash flow, our working capital requirements may negatively affect our operations and financial performance.**

As on date, we have not made any alternate arrangements for meeting our working capital requirements. We meet our working capital requirements through internal accruals. Any shortfall in internal accruals and our inability to raise debt would result in us being unable to meet our working capital requirements, which in turn will negatively affect our financial condition and results of operations.

**44. Our lenders have charge over our movable properties in respect of finance availed by us.**

We have secured our lenders by creating charge over our immovable properties. In the event of our default in repayment of the loans availed by us and any interest thereon, our properties may be forfeited by our lenders. For further information on the financing and loan agreements along with the total amounts outstanding, kindly refer the section titled "Financial Indebtedness" beginning on page 240 of this Draft Red Herring Prospectus.

**45. We could be exposed to risks arising from misconduct, fraud and trading errors by our employees and Business Associates.**

Frauds or other delinquencies by employees could include indulging in transactions that exceed authorized limits or present unacceptable risks to us; hiding unauthorized or unsuccessful trading activities from us; or the improper use of confidential information. Such misconduct could result in unacceptable business risks, losses, invite regulatory sanctions and seriously harm our reputation and could even lead to litigation. The precautions we take to prevent and detect these activities may not be effective. Any delinquencies or trading errors on the part of our employees could materially affect our business operations, financial position and/or reputation.

**46. Our Company have adequate insurance coverage and we are protected against all material hazards, which may adversely affect our business, results of operations and financial condition.**

Our business and assets could suffer damage from fire, natural calamities, misappropriation or other causes, resulting in losses, which may be compensated by insurance as our Company have adequate insurance coverage. If our Company suffers a large uninsured loss, our business, financial condition and results of operations may not be adversely affected.

**47. Delays or defaults in customer payments could result in a reduction of our profits and cash flows.**

We often commit resources to orders prior to receiving advances or other payments from customers in amounts sufficient to cover expenditures on orders as they are incurred. We may be subject to working capital shortages due to delays in customer payments. If the customer defaults in their payments on an order, or cancels their orders for which we have devoted significant resources or incurred expenditure, it could have a material adverse effect on our business, financial condition, results of operations and cash flows and could cause the price of our equity shares to decline. Hence, any last minute cancellations would also run the risk of not being able to sell those products to another customer. These events could have a material adverse effect on our revenues, results of operations and cash flows.

**48. Any disproportionate increase in labour costs including increase in wage/salary demand, labour unrest 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, 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.

**49. The funds proposed to be utilised for general corporate purposes constitute [●] % of the Net Issue Proceeds**

The Company intends to use the Net Issue Proceeds for the purposes described in the section titled "Objects of the Issue" beginning on page 102 of this Draft Red Herring Prospectus. Our Company intends to utilise Rs. [●] lakhs constituting [●] % of the aggregate of the gross proceeds towards general corporate purposes. The Objects for which we will be using this amount would be determined by the Board at its discretion, in keeping with the interest of the Company. As of date, our Board has not yet authorised any specific commitments or acts, with respect to utilisation of the portion of the Net Issue Proceeds which will be used for general corporate purposes.

**RISKS RELATED TO OUR EQUITY SHARES AND EQUITY SHARE HOLDERS**

**50. In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of the objects / schedule of implementation of this Issue which would in turn affect our revenues and results of operations.**

The funds that we receive would be utilized for the Objects of the Issue as has been stated in the Chapter “Objects of the Issue” beginning on page 102 of this Draft Red Herring Prospectus. The proposed schedule of implementation of the objects of the Issue is based on our management’s estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, we may have to revise our business, development and working capital plans resulting in unprecedented financial mismatch and this may adversely affect our revenues and results of operations.

**51. The requirements of being a public listed company may strain our resources and impose additional requirements.**

With the increased scrutiny of the affairs of a public-listed company by shareholders, regulators and the public at large, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur in the past. We will also be subject to the provisions of the listing agreements signed with the Stock Exchange which requires us to file unaudited financial results on a half-yearly basis. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management’s attention may be diverted from other business concerns, which could have an adverse effect on our business and operations. There can be no assurance that we will be able to satisfy our reporting obligations and/or readily determine and report any changes to our results of operations in a timely manner as other listed companies. In addition, we will need to increase the strength of our management team and hire additional legal and accounting staff with appropriate public company experience and accounting knowledge and we cannot assure that we will be able to do so in a timely manner.

**52. The Issue Price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue.**

The Issue price is based on numerous factors and may not be indicative of the market price for our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. There can be no assurance that you will be able to resell your Shares at or above the Issue Price. Among the factors that could affect our Share price are: quarterly variations in the rate of growth of our financial indicators, such as earnings per share, net profit and income; changes in income or earnings estimates or publication of research reports by analysts; speculation in the press or investment community; general market conditions; and domestic and international economic, legal and regulatory factors unrelated to our performance.

**53. The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.**

Prior to this Issue, there has been no public market for our Equity Shares. [●] is acting as Market Maker for the Equity Shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India’s fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic

partnerships, joint ventures, or capital commitments. In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of our Equity Shares. There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the price at which our Equity Shares are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue. For further details of the obligations and limitations of Market Makers, please refer to the section titled “General Information” on page 65 of this Draft Red Herring Prospectus.

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

Once listed, we would be subject to circuit breakers imposed by stock exchange, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on circuit breakers is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

**55. You will not be able to sell immediately on Stock Exchange any of the Equity Shares you purchase in the Issue until the Issue receives appropriate trading permissions.**

The Equity Shares will be listed on the Stock Exchange. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. We cannot assure you that the Equity Shares will be credited to investor’s demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in the Draft Red Herring Prospectus. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Equity Shares. In accordance the Companies Act, 2013, in the event that the permission of listing the Equity Shares is denied by the stock exchange, we are required to refund all the monies collected to investors.

**56. Sale of Equity Shares by our Promoter or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.**

Any instance of sale of equity shares by our Promoters or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

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

Under current Indian tax laws and regulations, capital gains arising from the sale of Equity Shares in an Indian Company are generally taxable in India. Any gain realized on the sale of listed Equity Shares on a stock exchange will be subject to capital gains tax in India and also would also be subject to Securities Transaction Tax (“STT”). STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

For more details, please refer to “Statement of Possible Tax Benefits” beginning on page 130 of this Draft Red Herring Prospectus.

**58. Any future issuance of Equity Shares may dilute your shareholdings, and sales of the Equity Shares by our major shareholders may adversely affect the trading price of our Equity Shares.**

Any future equity issuances by our Company may lead to the dilution of investors’ shareholdings in our Company. In addition, any sale of substantial Equity Shares in the public market after the completion of this Issue, including by our major shareholders, or the perception that such sales could occur, could adversely affect the market price of the Equity Shares and could significantly impair our future ability to raise capital through offerings of the Equity Shares. We cannot predict what effect, if any, market sales of the Equity Shares held by the major shareholders of our Company or the availability of these Equity Shares for future sale will have on the market price of our Equity Shares.

**59. Our Company has not paid any dividends till now and there can be no assurance that we will pay dividends in future. Our ability to pay dividends in the future will depend upon a variety of factors such as future earnings, financial condition, cash flows, working capital requirements, and restrictive covenants in our financing arrangements.**

Our Company has not paid any dividends till now and there can be no assurance that we will pay dividends in future. Our ability to pay dividends in the future will depend on our earnings, financial condition and capital requirements. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. There can be no assurance that we will generate sufficient income to cover our operating expenses and pay dividends to our shareholders, or at all. Our ability to pay dividends could also be restricted under the existing or certain financing arrangements that we may enter into.

**60. Operational Disruptions Due to Lack of Backup Power Supply**

Our company has availed a power connection from UGVCL for our manufacturing unit premises. However, this system does not include an integrated backup power source. As a result, any failure or disruption in the electricity supply could lead to immediate operational downtime. The absence of a secondary power solution increases the risk of interrupted business activities, which could impede critical processes, impact data management, and affect our ability to meet client expectations. Such disruptions could negatively influence our overall business performance and client satisfaction.

**EXTERNAL RISK FACTORS**

**61. Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.**

Our business and industry is regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended / changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

**62. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.**

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, financial condition, results of operations, cash flows 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 Companies Act 2013, several provisions of which (including rules issued thereunder) contain significant changes to Indian company law, including in relation to the issue of capital by companies, related party transactions, corporate governance, audit matters, shareholder class actions, restrictions on the number of layers of subsidiaries and corporate social responsibility. Compliance with such requirements may require significant financial and administrative resources, and any failure to comply may adversely affect our business and prospects. 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 business or restrict our ability to grow our business in the future. If a determination is made that we were in violation of such laws, rules or regulations, including conditions in the permits required for our operations, we may have to pay fines, modify or discontinue our operations, incur additional operating costs or make capital expenditures and our business, financial positions, results of operations or cash flows could be adversely affected. For details on the laws currently applicable to the Company kindly refer the chapter titled “Key Industry Regulations and Policies” beginning on page 169 of this Draft Red Herring Prospectus.

**63. Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse effect on our business, financial condition and results of operations.**

Taxes and other levies imposed by the Central or State Governments in India affect the cost and prices of the products we trade in and therefore demand for such product. An increase in any of these taxes or levies, or the imposition of new taxes or levies in the future, may have a material adverse effect on our business, profitability and financial condition.

**64. We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and Pharmaceutical industry contained in this Draft Red Herring Prospectus.**

While facts and other statistics in this Draft Red Herring Prospectus relating to India, the Indian economy and the Pharmaceutical industry has been based on various government publications and reports from government agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled “Industry Overview” beginning on page 133 of this Draft Red Herring Prospectus. Due to possibly flawed or ineffective data 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 elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

**65. The extent and reliability of Indian infrastructure could adversely affect our Company’s results of operations and financial condition.**

India’s physical infrastructure is in a developing phase, as compared to that of many developed



nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our Company's normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our Company's business operations, which could have an adverse effect on its results of operations and financial condition.

**66. Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.**

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

**67. Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.**

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

**68. Any downgrading of India's sovereign rating by an independent agency may harm our ability to raise financing.**

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 financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

**69. A slowdown in economic growth in India and globally could cause our business to suffer.**

We are highly dependent on prevailing economic conditions in India and globally and our results of operations are significantly affected by factors influencing the Indian and global economy. A slowdown in the economy and per capita income could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy. Factors that may adversely affect the Indian and global economy and per capita income, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing;
- prevailing income conditions among Indian and global consumers and corporations;

- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- variations in exchange rates;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- prevailing regional or global economic conditions; and
- other significant regulatory or economic developments in or affecting India and other countries.

Any slowdown in the Indian or global economy and per capita income or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. Specifically, it has been seen that in our industry, that general correlation exists between demand for pharmaceuticals and per capita income, and therefore any slowdown in per capita income would adversely affect the Indian pharmaceutical market, as well as our business. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

**70. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.**

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) 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 fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection / tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

**71. Natural calamities could have a negative impact on the Indian economy and cause our Company's business to suffer.**

India has experienced natural calamities such as earthquakes, tsunamis and floods in recent years. The extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

**72. Regional hostilities, terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may result in a loss of investor confidence and adversely affect the financial markets and our business.**

Terrorist attacks, civil unrest and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. In addition, the Asian region has from time to time experienced instances of civil unrest and hostilities among neighbouring countries. Hostilities and tensions may occur in the future and on a wider scale. Military activity or terrorist attacks in India may result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence

the Indian economy and could have an adverse effect on the market for securities of Indian companies, including our Equity Shares.

**73. The occurrence of natural disasters may adversely affect our business, financial condition and results of operations.**

The occurrence of natural disasters, including hurricanes, floods, earthquakes, tornadoes, fires and pandemic disease may adversely affect our financial condition or results of operations. The potential impact of a natural disaster on our results of operations and financial position is speculative, and would depend on numerous factors. The extent and severity of these natural disasters determines their effect on the Indian economy. An outbreak of a communicable disease in India would adversely affect our business and financial conditions and results of operations. We cannot assure you that such events will not occur in the future or that our business, financial condition and results of operations will not be adversely affected.

## SECTION IV: INTRODUCTION

### ISSUE DETAILS IN BRIEF

Particulars	Details
Equity Shares Issued*	Issue of up to 30,00,000 Equity Shares of face value of ₹ 10/- each at a price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs
<b>Of which:</b>	
Reserved for Market Makers	[●] Equity Shares of face value of ₹ 10/- each at an Issue Price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs
Net Issue to the Public	[●] Equity Shares of face value of ₹ 10/- each at an Issue Price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs
<b>Of which</b>	
Allocation to Qualified Institutional Buyers	Not more than [●] Equity Shares of face value of ₹ 10/- each at an Issue Price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs
Allocation to Non-Institutional Investors	Not less than [●] Equity Shares of face value of ₹ 10/- each at an Issue Price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs
Allocation to Retail Individual Investors	Not less than [●] Equity Shares of face value of ₹ 10/- each at an Issue Price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs
Equity Shares outstanding prior to the Issue	81,70,000 Equity Shares of ₹ 10/- each
Equity Shares outstanding after the Issue*	Up to [●] Equity Shares of ₹ 10/- each
Use of Proceeds	For details, please refer chapter titled “Objects of The Issue” beginning on Page 102 of this Draft Red Herring Prospectus for information on use of Issue Proceeds.

\* Subject to finalization of the Basis of Allotment. Number of shares may need to be adjusted for lot size upon determination of issue price

- (1) The Issue is being made in terms of Chapter IX of the SEBI ICDR Regulations, as amended from time to time. This Issue is being made by our company in terms of Regulation of 229 (2) and Regulation 253 (1) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post – issue paid up equity share capital of our company are being issued to the public for subscription.
- (2) The present Issue has been authorized pursuant to a resolution of our Board dated May 10, 2024 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extraordinary General Meeting of our shareholders held on June 03, 2024.
- (3) In the event of over-subscription, allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price. Allocation to investors in all categories, except the Retail Portion, shall be made on a proportionate basis subject to valid bids received at or above the Issue Price. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, and subject to availability of Equity Shares in the Retail Portion, the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.

- (4) The SEBI ICDR Regulations permit the issue of securities to the public through the Book Building Process, which states that, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not more than 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Issue Price.
- (5) Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.

## SUMMARY OF FINANCIAL INFORMATION

### Annexure - 1 : Restated Statement of Assets and Liabilities

(Amount in Lakhs)

	Particulars	Note No	As at 20 July 2024	As at 31 March 2024*	As at 31 March 2023*	31 March 2022
<b>II</b>	<b>EQUITY AND LIABILITIES</b>					
	<b>Equity</b>					
(a)	Share Capital/Partners capital	5	817.00	400.00	384.27	307.64
(b)	Reserve and Surplus	6	174.49	134.76	-	-
			<b>991.49</b>	<b>534.76</b>	<b>384.27</b>	<b>307.64</b>
	<b>Liabilities</b>					
<b>1</b>	<b>Non-current liabilities</b>					
(a)	<b>Financial liabilities</b>					
	Long-term borrowings	7	287.86	691.07	286.70	289.85
(b)	Provisions	8	10.63	10.07	4.38	3.35
(c)	Deferred tax liability (net)	9	2.48	2.48	-0.20	0.18
	<b>Total non-current liabilities</b>		<b>300.96</b>	<b>703.62</b>	<b>290.89</b>	<b>293.39</b>
<b>2</b>	<b>Current liabilities</b>					
(a)	<b>Financial liabilities</b>					
	Short-term borrowings	10	803.27	657.15	559.88	470.90
	Trade payables	11	619.88	657.75	784.95	673.72
	Other Financial Liabilities		-	-	-	-
(b)	Other current liabilities	12	44.15	22.06	31.85	25.85
(C)	Short-term provisions	13	174.54	129.27	6.14	2.61
	<b>Total current liabilities</b>		<b>1,641.84</b>	<b>1,466.23</b>	<b>1,382.82</b>	<b>1,173.08</b>
	<b>Total Equity and Liabilities</b>		<b>2,934.29</b>	<b>2,704.61</b>	<b>2,057.97</b>	<b>1,774.11</b>
	<b>ASSETS</b>					
	<b>Non-current assets</b>					
(a)	<b>Property, Plant and Equipment and Intangible assets</b>					
(i)	Property, Plant and Equipment	14	628.85	527.27	601.23	583.59
(d)	Long Term Loans and Advances	15	13.38	13.38	3.91	2.55
(e)	Other non-current assets	16	19.95	5.45	-	-
	<b>Total non-current assets</b>		<b>662.18</b>	<b>546.10</b>	<b>605.14</b>	<b>586.14</b>
	<b>Current assets</b>					
(b)	Inventories	17	1,438.15	1,447.58	776.39	693.28
(c)	Trade receivables	18	717.98	580.44	579.94	406.80
(d)	Cash and Cash Equivalents	19	8.48	9.16	3.64	37.45
(e)	Short Term Loans and Advances	20	107.48	121.31	92.87	50.44
	<b>Total current assets</b>		<b>2,272.10</b>	<b>2,158.50</b>	<b>1,452.83</b>	<b>1,187.98</b>
	<b>Total Assets</b>		<b>2,934.29</b>	<b>2,704.61</b>	<b>2,057.97</b>	<b>1,774.12</b>

**Annexure - 2 : Restated Statement of Profit and Loss**

(Amount in Lakhs)

Sr. No	Particulars	Note No	Period ended 20 July 2024	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
I	Revenue from operations	21	1,187.10	3,366.52	2,938.43	2,229.20
II	Other Income	22	1.91	27.34	14.72	29.22
III	<b>Total Income (I+II)</b>		<b>1,189.00</b>	<b>3,393.86</b>	<b>2,953.15</b>	<b>2,258.42</b>
IV	<b>Expenses:</b>					
(a)	Cost of Materials consumed	23	827.43	2,505.91	2,366.33	1,861.29
(b)	Change in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23(B)	(47.87)	(344.95)	(31.38)	(105.26)
(b)	Employee benefits expense	24	102.39	261.87	247.40	196.01
(c)	Finance costs	25	42.25	115.38	107.64	101.66
(d)	Depreciation and amortization expense	26	8.84	84.73	92.33	81.04
(e)	Other expenses	27	43.55	194.76	156.95	113.28
	<b>Total expenses (IV)</b>		<b>976.59</b>	<b>2,817.69</b>	<b>2,939.27</b>	<b>2,248.02</b>
V	<b>Profit/ (Loss) before Tax (III-IV)</b>		212.41	576.17	13.88	10.40
VI	<b>Tax expense:</b>					
(a)	Current tax		55.68	185.96	3.87	2.32
(b)	Prior year tax adjustments		-	-	-	-
(c)	Deferred tax (benefit)	9	-	2.68	(0.38)	0.18
			55.68	188.64	3.49	2.50
VII	<b>Profit/ (Loss) for the year (V-VI)</b>		<b>156.73</b>	<b>387.53</b>	<b>10.39</b>	<b>7.90</b>
VIII	<b>Other comprehensive income</b> Items that will not be reclassified to profit or loss - Remeasurements of the defined benefit plans (net of taxes)		-	-	-	-
IX	<b>Total comprehensive (loss)/income for the year (VII + VIII)</b>		<b>156.73</b>	<b>387.53</b>	<b>10.39</b>	<b>7.90</b>
	<b>Earnings Per Share</b> Nominal value per share Rs. 10					
	Basic and Diluted	28	6.53	9.69	N.A.	N.A.

**Annexure - 3 : Restated Statement of Cash Flow**

(Amount in Lakhs)

	Period ended 20 July 2024	For the year ended on 31/03/2024	Year ended 31 March 2023	Year ended 31 March 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Net Profit Before Tax	212.41	187.32	13.88	10.40
<b>Adjustments for:</b>				
Depreciation	8.84	84.73	92.33	81.04
Interest expenses	42.25	115.38	107.64	101.66
Interest income	0.00	0.00	0.00	0.00
<b>Operating (loss) before Working Capital changes</b>	<b>263.50</b>	<b>387.42</b>	<b>213.85</b>	<b>193.11</b>
Adjustments for :				
(Increase) / Decrease in trade receivables	(137.54)	(0.51)	(173.14)	125.51
(Increase) / Decrease in loans and advances & other current asset	(0.68)	(43.36)	(43.78)	34.76
(Increase) / Decrease in Inventories	9.43	(671.19)	(83.11)	(197.47)
Increase / (Decrease) in trade payables	(37.88)	(127.20)	111.23	57.11
Increase / (Decrease) in other current liabilities and provisions	67.93	121.70	10.56	2.68
	<b>(98.73)</b>	<b>(720.56)</b>	<b>(178.24)</b>	<b>22.60</b>
<b>Cash generated from / (used in) operations:</b>	164.77	(333.14)	35.61	215.71
Taxes (Paid) / Refund	(55.68)	(52.56)	(3.49)	(0.71)
<b>Net cash from / (used in) operating activities</b>	<b>109.08</b>	<b>(385.69)</b>	<b>32.12</b>	<b>215.00</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Property, Plant & Equipment	(110.43)	(10.77)	(117.81)	(25.73)
Receipts on Sale of Property, Plant & Equipment	0.00	-	7.85	0.00
Interest received	0.00	-	0.00	0.00
<b>Net cash from / (used in) investing activities</b>	<b>(110.43)</b>	<b>(10.77)</b>	<b>(109.96)</b>	<b>(25.73)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interest paid	(42.25)	(115.38)	(107.64)	(101.66)
Proceeds/ (repayments) from Borrowings	(257.09)	501.64	85.80	(28.10)
Proceeds from issue of Shares/ capital introduced/ (capital withdrawal)	300.00	15.73	65.86	(28.73)
<b>Net cash from / (used in) financing activities</b>	<b>0.66</b>	<b>402.00</b>	<b>44.02</b>	<b>(158.49)</b>
<b>D. NET INCREASE/ (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>(0.68)</b>	<b>5.53</b>	<b>(33.82)</b>	<b>30.77</b>
<b>E. CASH AND CASH EQUIVALENTS as at the beginning of the Year</b>	9.16	3.64	37.45	6.68
<b>F. CASH AND CASH EQUIVALENTS as at the End of Year</b>	8.48	9.16	3.64	37.45
	<b>(0.68)</b>	<b>5.53</b>	<b>(33.82)</b>	<b>30.77</b>
<b>Note:</b>				
Components of cash and cash equivalents (Refer Note 9)				
Cash and cash equivalents	8.48	9.16	3.64	37.45
Fx Gain / (Loss) on Cash revaluation	-	-	-	-
Cash & Cash Equivalents considered for Cash flow	<b>8.48</b>	<b>9.16</b>	<b>3.64</b>	<b>37.45</b>



## SECTION V: GENERAL INFORMATION

### Incorporation

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 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.

The Corporate Identification Number of our Company is U21004GJ2023PLC146545.

### REGISTERED AND CORPORATE OFFICE OF THE COMPANY:

#### Accretion Pharmaceuticals Limited

29 Xcelon Ind Park 1, B/h, Intas Pharmaceuticals,  
Vasna Chacharvadi, Ahmedabad, Sanand, Gujarat,  
India, 382213.

**Tel:** +91 97148 82929

**Email:** [compliance@accretionpharma.com](mailto:compliance@accretionpharma.com)

**Website:** <http://www.accretionpharma.com>

**CIN:** U21004GJ2023PLC146545

### ADDRESS OF THE JURISDICTIONAL REGISTRAR OF COMPANIES (“RoC”)

#### Registrar of Companies

ROC Bhavan, Opposite Rupal Park Society,  
Behind Ankur Bus Stop, Naranpura,  
Ahmedabad, Gujarat – 380013.

**Tel:** Phone: 079-27438531

**E-mail:** [roc.ahmedabad@mca.gov.in](mailto:roc.ahmedabad@mca.gov.in)

There has been no change in the registered office of the company since incorporation.

### DESIGNATED STOCK EXCHANGE

#### National Stock Exchange of India Limited

(EMERGE Platform of National Stock Exchange of India Limited) (“NSE-EMERGE”)

Exchange Plaza, Plot no. C/1,  
G Block, Bandra-Kurla Complex Bandra (E),  
Mumbai - 400051, Maharashtra.

E-mail: [www.nseindia.com](http://www.nseindia.com)

### Board of Directors

S. No	Name	Address	Designation	DIN
a)	Mayur Popatlal Sojitra	A-9, Aagman Apartment, Near Sambhav Press, premchandnagar Road, Ahmedabad Gujarat - 380054	Director	09108404
b)	Harshad Nanubhai Rathod	402- Vasundhara Appartment, 12-Jain Society, Pritam nagar, Ellisbridge, Ahmedabad, Gujarat – 380006.	Director and CFO	09108392
c)	Vivek Ashok Kumar Patel	801, Haritage Opus, Opp. Auda Lake, Prahladnagar- 380015. Ahmedabad, Gujarat - 380015	Managing Director	09130357
d)	Hardik Mukundbhai Prajapati	B/84, C.P. colony part 1, Bhuyang Cross Road, Ahmadabad city, Ghatlodia Gujarat – 380061.	Director	09108403
e)	Shyam Bhadrash Kapadia	32, Aagam Heritage, Near Someshwara Enclave, University Road, Surat, Gujarat – 395007.	Independent Director	10672090
f)	Vijay Bharatbhai Anadkat	602-Ashirvad Apartment university road, Opp. metro restaurant, Rajkot, Gujarat – 360007.	Independent Director	09578670
g)	Grishma A Shewale	9 Ashirvad Society near Vhora Colony, Ajwa Road, Vadodara, Gujarat – 390019.	Independent Director	10685826

### COMPANY SECRETARY AND COMPLIANCE OFFICER

**Ms. Bhavika Dhaval Makadia**

**Accretion Pharmaceuticals Limited**

29 Xcelon Ind Park 1, B/h, Intas Pharmaceuticals,

Vasna Chacharvadi, Ahmedabad,

Sanand, Gujarat, India, 382213;

**Tel:** +91 97148 82929

**Email:** [compliance@accretionpharma.com](mailto:compliance@accretionpharma.com)

**Website:** <http://www.accretionpharma.com>

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post- Issue related problems, such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary accounts or unblocking of ASBA accounts etc.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to relevant SCSB to whom the application was submitted, giving full details such as name, address of the applicant, number of equity shares applied for, amount blocked, ASBA bank account number and the designated branch of the relevant SCSBs to whom the Application form was submitted by the

Applicants.

#### CHIEF FINANCIAL OFFICER

**Mr. Harshad Nanubhai Rathod**  
**Accretion Pharmaceuticals Limited**  
 29 Xcelon Ind Park 1, B/h, Intas Pharmaceuticals,  
 Vasna Chacharvadi, Ahmedabad, Sanand,  
 Gujarat, India, 382213;  
**Tel:** - +91 97148 82929  
**Email:** [compliance@accretionpharma.com](mailto:compliance@accretionpharma.com)  
**Website:** <http://www.accretionpharma.com>

#### LEGAL ADVISOR TO THE ISSUE

**M/s Asha Agarwal & Associates**  
 Ms. Asha Agarwal  
**Address:**118, Shila Vihar, Gokulpura,  
 Kalwar Road, Jhotwara, Jaipur-302012  
**Tel:** +91-9950933137  
**Email :** ashaagarwalassociates@gmail.com  
**Enrollment No:** 75654/R/38/2016

#### BANKERS TO THE COMPANY

**Indian Bank, Paldi Branch**  
**Address:**Mukhi Corner, P T College Cross Road,  
 Narayan Nagar Road, Paldi, Ahmedabad 380007  
**Contact Person:** Mr. Mahesh Chandra;  
**Tel:** +91-9427616310;  
**Email:**Paldi@Indianbank.co.in;

#### BOOK RUNNING LEAD MANAGER TO THE ISSUE

	<p><b>JAWA CAPITAL SERVICES PRIVATE LIMITED</b>  <b>Address:</b> Plot No. 93, F/F, Pocket-2, Near DAV School, Jasola,          Delhi-110025  <b>Tel:</b> +91-11-47366600  <b>E-mail:</b> mbd@jawacapital.in  <b>Investor Grievance Email:</b> investorsrelations@jawacapital.in  <b>Website:</b> www.jawacapital.in  <b>Contact Person:</b> Mr. Taranveer Singh/Mr. Sajal Gupta  <b>SEBI Registration No.:</b> MB/INM000012777</p>
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#### REGISTRAR TO THE ISSUE

	<p><b>KFIN TECHNOLOGIES LIMITED</b>  <b>Address:</b> Selenium Tower-B, Plot 31 &amp; 32, Gachibowli,          Financial District, Nanakramguda, Serilingampally,          Hyderabad – 500 032, Telangana  <b>Tel:</b> +91 40 6716 2222; <b>Toll Free No.:</b> 1800 309 4001;</p>
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	<b>Email Id:</b> <a href="mailto:apl.ipo@kfintech.com">apl.ipo@kfintech.com</a> <b>Investor Grievance Email Id:</b> einward.ris@kfintech.com <b>Website:</b> www.kfintech.com <b>Contact Person:</b> Mr. M Murali Krishna <b>SEBI Registration No.:</b> INR000000221
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## **BANKERS TO THE ISSUE AND ESCROW COLLECTION BANKS**

[•]

### **REFUND BANK**

[•]

**Applicants can contact the Compliance Officer or the Lead Manager or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary account and refund orders, etc. All complaints, queries or comments received by Stock Exchange/ SEBI shall be forwarded to the Lead Manager, who shall respond to the same.**

Applicants may contact the Lead Manager for complaints, information or clarifications pertaining to the Issue.

All grievances may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Applicant should give full details such as name of the sole or first Applicant, ASBA Form number, Applicant DP ID, Client ID, PAN, date of the ASBA Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

### **SELF-CERTIFIED SYNDICATE BANKS**

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (ASBA) Process are provided on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on Designated Branches of SCSBs collecting the Application Forms, please refer to the above-mentioned SEBI link.

### **REGISTERED BROKERS**

Applicants can submit Application Forms in the Issue using the stock brokers network of the Stock Exchanges, 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 website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time. For details on Registered Brokers, please refer <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

### **REGISTRAR AND SHARE TRANSFER AGENTS**

The list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, as updated

from time to time.

#### **COLLECTING DEPOSITORY PARTICIPANTS**

The list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time.

#### **PEER REVIEWED STATUTORY AUDITOR TO THE COMPANY**

##### **M/s VSSB & Associates**

**Address:** A/912, 9th Floor, Ratnaakar Nine Square, Opp. Keshavbaug Party Plot, Vastrapur, Ahmedabad-380015

**Tel:** +91-9825471182

**Firm Registration No. :** 121356W

**Peer Review Certificate No.:** 014855

**Email:** vishvesca@gmail.com

**Ms. VSSB & Associates, Chartered Accountants** holds a peer review certificate dated 01-11-2023 issued by the Institute of Chartered Accountants of India. The validity of the said certificate is 31-10-2026.

#### **NOMINATED INVESTOR**

There are no Nominated Investors for this issue.

#### **INTER-SE ALLOCATION OF RESPONSIBILITIES AMONG LEAD MANAGER(S)**

Since Jawa Capital Services Private Limited is the sole Lead Manager to this Issue, a statement of inter se allocation of responsibilities amongst Lead Managers is not required.

#### **CREDIT RATING**

This being a public issue of equity shares, no credit rating is required.

#### **IPO GRADING**

Since the Issue is being made in terms of Chapter IX of the SEBI ICDR Regulations, there is no requirement of appointing an IPO Grading agency.

#### **EXPERTS**

Except for the Statement of Tax Benefits dated August 20, 2024 and the Auditors' Report dated August 20, 2024, by Independent Peer Review Certified Auditor **Ms. VSSB & Associates, Chartered Accountants**, no other expert opinion is obtained other than peer review and his certificate.

#### **TRUSTEES**

This being an issue of Equity shares, appointment of Trustee is not required.

#### **MONITORING AGENCY**

As per regulation 262(1) of the SEBI ICDR Regulations, the requirement of Monitoring Agency is

mandatory if the Issue size exceeds Rs.10,000 Lakhs. Since the Issue size below Rs.10,000 Lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue. Further, the Company has not appointed any appraisal agency for this Issue.

## **APPRAISER**

The project has not been appraised by any external agency and is based upon Management Estimates.

## **FILING OF OFFER DOCUMENT**

The Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus and Offer Document shall be filed on the platform of NSE Emerge.

Pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022, Draft Red Herring Prospectus shall not be submitted to SEBI, however, soft copy of Red Herring Prospectus and Prospectus with the Due Diligence Certificate shall be submitted to SEBI pursuant to Regulation 246(1), and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. SEBI will not issue any observation on the Issue document in terms of Regulation 246(2) of the SEBI ICDR Regulations.

A copy of the Prospectus along with the material contracts and documents referred elsewhere in the Prospectus required to be filed under Section 32 of the Companies Act, 2013 will be delivered to the Registrar of Companies, Ahmedabad situated at ROC Bhavan, Opposite Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad, Gujarat - 380013 at least (3) three days prior from the date of opening of the Issue.

## **BOOK BUILDING PROCESS**

Book Building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process and advertised in all editions of the English national newspaper, all editions of Hindi national newspaper and in Regional newspaper where our registered office is situated at least two working days prior to the Bid/Issue Opening date. The Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process after the Bid/Issue Closing Date.

Principal parties involved in the Book Building Process are-

- Our Company;
- The Book Running Lead Manager in this case being Jawa Capital Services Private Limited;
- The Syndicate Member(s) who are intermediaries registered with SEBI / registered as brokers with BSE Limited and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the Book Running Lead Manager;
- The Registrar to the Issue;
- The Escrow Collection Banks/ Bankers to the Issue and
- The Designated Intermediaries and Sponsor bank

The SEBI ICDR Regulations have permitted the Issue of securities to the public through the Book Building Process, wherein allocation to the public shall be made as per Regulation 253 of the SEBI ICDR Regulations.

The Issue is being made through the Book Building Process wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the 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 Issue Price. Further, not less than 15 % of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35 % of the Net Issue shall be available for allocation to Retail Individual Bidders, in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price.

All potential Bidders may participate in the Issue through an ASBA process by providing details of their respective bank account which will be blocked by the SCSBs. All Bidders are mandatorily required to utilize the ASBA process to participate in the Issue. Under-subscription if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

All Bidders, are mandatorily required to use the ASBA process for participating in the Issue. In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion 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. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until the Bid/Issue Closing Date.

Subject to valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for Retail Portion where allotment to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under –subscription, if any, in any category, would be allowed to be met with spill–over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Stock Exchange. However, under –subscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories.

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regards, specific attention is invited to the chapter titled “Issue Procedure” beginning on page 284 of the Draft Red Herring Prospectus.

The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process

prior to making a Bid or application in the Issue.

For further details on the method and procedure for Bidding, please see section entitled “Issue Procedure” on page 284 of this Draft Red Herring Prospectus.

Illustration of the Book Building and Price Discovery Process: Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

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

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Company in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid (see section titled “Issue Procedure” on page 284 of this Draft Red Herring Prospectus);
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
- Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant’s verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.
- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form;

#### Bid/Issue Program:

Event	Indicative Dates
Bid/Issue Opening Date	[●] *
Bid/Issue Closing Date	[●] **
Finalization of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Allotment / Refunds / Unblocking of	[●]



Funds from ASBA Account or UPI ID linked bank account	
Credit of Equity Shares to Demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchange	[●]

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

*\*\*Our Company in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.*

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 3 Working Days of the Bid/ Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bid Cum Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00p.m. (IST) during the Issue Period (except for the Bid/Issue Closing Date). On the Bid/ Issue Closing Date, the Bid Cum Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for retail and non- retail Bidders. The time for applying for Retail Individual Applicant on Bid/ Issue Closing Date maybe extended in consultation with the BRLM, RTA and BSE SME taking into account the total number of applications received up to the closure of timings.

Due to the limitation of time available for uploading the Bid Cum Application Forms on the Bid/ Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, not later than 3.00 p.m.(IST) on the Bid/ Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid Cum Application Forms are received on the Bid/Issue Closing Date, as is typically experienced in public Issue, some Bid Cum Application Forms may not get uploaded due to the lack of sufficient time. Such Bid Cum Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Bid Cum Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Bid Cum Application Forms prior to the Bid/ Issue Closing Date. Allocation to Retail Individual Applicants, in this Issue will be on a proportionate basis. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid Cum Application Form, for a particular Applicant, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid Cum Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified

data

## WITHDRAWAL OF THE ISSUE

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue at any time before the Bid/Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Bid/Issue Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the Bid/Issue Closing Date, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre- Issue advertisements have appeared and the Stock Exchange will also be informed promptly. The BRLM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within 1 (one) working Day from the day of receipt of such instruction.

If our Company withdraws the Issue after the Bid/Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will have to file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares issued through the Prospectus, which our Company will apply for only after Allotment; and (ii) the registration of Prospectus with RoC.

## UNDERWRITING AGREEMENT

Our Company shall enter into an Underwriting Agreement before the opening of the issue with the Underwriters for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the Lead Manager shall be responsible for bringing in the amount devolved in the event the issue remains undersubscribed. Pursuant to the terms of the proposed Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions, as specified therein. The Issue has been 100% underwritten.

The Underwriter has indicated its intention to underwrite the following number of Equity Shares:

Name, Address, Telephone, Fax, and Email of the Underwriter	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. in Lakh)	Percentage of the Total Issue Size Underwritten
[•]	[•]	[•]	[•]
Total	[•]	[•]	[•]

*\*Includes [•] Equity shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in its own account in order to claim compliance with the requirements of Regulation 260 of the SEBI ICDR Regulations.*

In the opinion of the Board of Directors of our Company, the resources of the abovementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full.

## CHANGES IN AUDITORS

M/s KMV & Co., Chartered Accountants, were appointed as the first auditors of the Company on

November 30, 2023. However, they expressed their unwillingness for Re-appointment as Statutory Auditor in Annual General Meeting of the Company due their pre-occupation in other assignments and resigned from the position of Statutory Auditor of the Company as on July 08, 2024.

Subsequently, M/s NGST & Associates were appointed as statutory auditors of the Company on July 13, 2024, for the period from April 1, 2024, to March 31, 2029. However, they resigned from their position due to their pre-occupation in other assignments on July 16, 2024.

Following this, M/s VSSB & Associates, Chartered Accountants, were appointed as the Peer Reviewed Statutory Auditors of the Company on August 8, 2024. As of the date of this Draft Red Herring Prospectus, M/s VSSB & Associates have conducted the audit of the restated financials for the period ending March 31, 2024, March 31, 2023, March 31, 2022 and period between April 01, 2024 to July 20, 2024.

## **MARKET MAKER**

### **Details of the Market Making Arrangement for this Issue**

Our Company and the Lead Manager have entered into a tripartite agreement dated [●], with the following Market Maker, duly registered with the National Stock Exchange of India Limited (“NSE”) to fulfill the obligations of Market Making:

**Name:** [●]

**Address:** [●]

**Tel No.:** [●]

**Email:** [●]

**Contact Person:** [●]

**SEBI Registration No:** [●]

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI ICDR Regulations and its amendments from time to time and the circulars issued by the NSE and SEBI regarding this matter from time to time.

Following is a summary of the key details pertaining to the Market Making arrangement:

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker shall inform the Stock Exchange in advance for each and every black out period when the quotes are not being issued by the Market Maker.
2. The Prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of the Stock Exchange and SEBI from time to time.
3. The minimum depth of the quote shall be Rs. 1,00,000. However, the investors with holdings less than Rs. 1,00,000 shall be allowed to Issue their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of Rs. [●]/- per share the minimum lot size is [●] Equity Shares thus minimum depth of the quote shall be Rs. [●]/- until the same, is revised by the Stock Exchange.
4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker for the quotes given by him.
5. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide buy quote if the shares of Market Maker in our Company reaches to 25% of

the Issue Size (including the 5% Issue size out to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 5% of Issue size would not be taken into consideration of computing the threshold of 25% of Issue Size. Apart from the above mandatory inventory, only those shares which have been acquired on the platform of the exchange during market making process shall be counted towards the Market Maker's threshold. As soon as the Equity Shares of the Market Maker in our Company reduces to 24% of Issue Size, Market Maker will resume providing 2-way quotes.

6. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
7. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, the Stock Exchange may intimate the same to SEBI after due verification.
8. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, [●] is acting as the sole Market Maker.
9. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Stock Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Stock Exchange for deciding controllable and non-controllable reasons would be final.
10. The Market Maker shall have the right to terminate said arrangement by giving a one months' notice or on mutually acceptable terms to the Lead Manager who, shall then be responsible to appoint a replacement Market Maker.

In case of termination of the above-mentioned Market Making Agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261(1) of the SEBI ICDR Regulations, 2018. Further our Company and the Lead Manager reserve the right to appoint another Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our registered office from 09:00 a.m. to 6:00 p.m. on working days.

11. **Risk containment measures and monitoring for Market Makers:** The Stock Exchange will have all margins which are applicable on the Main Board of the said Stock Exchange viz. Mark- to- Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. The Stock Exchange can impose any other margins as deemed necessary from time-to- time.
12. **Punitive Action in case of default by Market Makers:** Stock Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties /fines may be imposed by the Stock Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Stock Exchange from time to time. The Stock Exchange will impose a penalty on the Market Maker in case he is not present in the market (Offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

The Department of Surveillance and Supervision of the Stock Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities

by the Market Maker from time to time.

13. The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time:
14. Pursuant to SEBI circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for Market Makers during market making process has been made applicable, based on the Issue size and as follows:

Issue Size	Buy quote threshold (including mandatory initial inventory of 5% of the Issue Size)	Re-entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)
Up to Rs. 20 crores	25%	24%
Rs. 20 to Rs. 50 crores	20%	19%
Rs. 50 to Rs. 80 crores	15%	14%
Above Rs. 80 crores	12%	11%

The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and/or norms issued by SEBI/the Stock Exchange from time to time.

#### WITHDRAWAL OF THE ISSUE

Our Company in consultation with the LM, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event, our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The LM, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one (1) day of receipt of such notification. Our Company shall also promptly inform NSE Emerge on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals from NSE Emerge, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Draft Red Herring Prospectus.

#### ISSUE PROGRAMME

Event	Indicative Date
Issue Opening Date	[●]
Issue Closing Date	[●]

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form.

Standardization of cut-off time for uploading of applications on the Issue closing date:

- i. A standard cut-off time of 3.00 p.m. for acceptance of applications.
- ii. A standard cut-off time of 4.00 p.m. for uploading of applications received from other than retail individual applicants.
- iii. A standard cut-off time of 5.00 p.m. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by National Stock Exchange of India Limited after taking into account the total number of applications received up to the closure of timings and reported by LM to National Stock Exchange of India Limited within half an hour of such closure.

It is clarified that Applications not uploaded in the book, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application form, for a particular applicant, the details as per physical application form of that Applicant may be taken as the final data for the purpose of allotment.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

## SECTION VI: CAPITAL STRUCTURE OF THE COMPANY

Share capital of our Company as at the date of filing of this Draft Red Herring Prospectus with NSE is set forth below:

Capital	Share	Aggregate Value at Face Value (in Rs.)	Aggregate Value at Issue Price (in Rs.)*
<b>(A) Authorized Share Capital</b>			
1,30,00,000 Equity Shares of Rs.10 each		13,00,00,000	
<b>(B) Issued, Subscribed and Paid-Up Capital before the Issue</b>			
81,70,000 Equity Shares of Rs.10 each fully paid up		8,17,00,000	
<b>(C) Present Issue in terms of the Draft Red Herring Prospectus 1#</b>			
Issue of up to 30,00,000 Equity shares of face value of Rs. 10 each comprising of:			
Comprising of:			
<b>Market Maker Portion:</b> [●] Equity Shares of Rs.10 each fully paid up		[●]	[●]
<b>Net Issue to Public:</b> [●] Equity Shares of Rs.10 each fully paid up		[●]	[●]
<b>(D) Paid up Equity Capital after the Issue</b>			
[●] Equity Shares of Rs.10 each fully paid up		[●]	
<b>(E) Securities Premium Account (in Rs.)</b>			
Before the Issue			Nil
After the Issue			[●]

\* To be included upon finalization of Issue Price.

# The present Issue has been authorized by the Board of Directors pursuant to a resolution passed at its meeting held on July 25, 2024 and by the shareholders of the Company pursuant to a resolution dated August 16, 2024 under Section 62(1)(c) of the Companies Act.

For further details, please refer to the section titled "Issue Procedure" beginning on page 284 of the Draft Red Herring Prospectus.

Our Company has no outstanding convertible instruments as on the date of the Draft Red Herring Prospectus.

The details of changes in authorized share capital of our Company after the date of incorporation till filing of the Draft Red Herring Prospectus with NSE is as follows:

Date of change	Nature of increase/change	Number of Shares	Face Value	Nature of Instrument	Cumulative authorized Share Capital (In Rs.)
November 29, 2023 (Incorporation)	Subscription to MOA	40,00,000	10	Equity	4,00,00,000
June 29, 2024	Increase in Authorized Share capital	1,00,00,000	10	Equity	10,00,00,000
July 17, 2024	Increase in Authorized Share capital	1,30,00,000	10	Equity	13,00,00,000

### Notes to Capital Structure:

#### 1. Details of the existing Equity Share Capital of our Company

Date of Allotment of Shares	Nature of Allotment	Number of shares allotted	Type of Shares	Face Value (Rs.)	Issue Price (Rs.)	Form of Consideration	Cumulative No. of Equity Shares	Cumulative Equity paid up share capital (in Rs.)	Cumulative share premium (in Rs.)
Incorporation, November 29, 2023	Subscribers to Memorandum and Articles <sup>(a)</sup>	40,00,000	Equity	10	10	Cash	4,000,000	4,00,00,000	0.00
July,09, 2024	Right Issue	3,00,000	Equity	10	100	Cash	43,00,000	4,30,00,000	2,70,00,000
July,14, 2024	Bonus Issue	38,70,000	Equity	10	No consideration	No consideration	81,70,000	8,17,00,000	-

#### Notes:

- (a) The Names of the allottees, being the initial subscribers to the Memorandum and Articles of Association, to whom allotment of 40,00,000 Equity Shares @Rs. 10 per equity shares was made, is provided below:

S. No.	Name of the Allottee	No. of shares allotted
1.	Mayurbhai Papatlal Sojitra	9,60,000
2.	Vivek Ashok Kumar Patel	9,60,000
3.	Harshad Nanubhai Rathod	9,60,000
4.	Hardik Mukundbhai Prajapati	9,60,000



5.	Ankita Vivek Patel	40,000
6.	Pooja Harshad Rathod	40,000
7.	Shweta Sojitra	40,000
8.	Vaishaki Hardik Prajapati	40,000
	<b>Total</b>	<b>40,00,000</b>

b) The Names of the allottees, being the shareholders to who 3,00,000 Equity Shares of the Company of face value of Rs. 10 each, were allotted on July 09, 2024, for consideration in cash, in terms of the Right Issue, is provided below:

S. No.	Name of the Allottee	No. of shares allotted
1	Mayur Popatlal Sojitra	75,000
2.	Harshad Nanubhai Rathod	75,000
3.	Vivek Ashok Kumar Patel	75,000
4.	Hardik Mukundbhai Prajapati	75,000
<b>5.</b>	<b>TOTAL</b>	<b>3,00,000</b>

c) The Names of the allottees, being the shareholders to whom 38,70,000 Equity Shares of the Company of face value of Rs. 10 each, were allotted on July 14, 2024, for consideration other than cash, in terms of the Bonus Issue in the ratio of 9:10, is provided below:

S. No.	Name of the Allottee	No. of shares allotted
1.	Mayur Popatlal Sojitra	9,31,500
2.	Harshad Nanubhai Rathod	9,31,500
3.	Vivek Ashok Kumar Patel	9,31,500
4.	Hardik Mukundbhai Prajapati	9,31,500
5.	Ankita Vivek Patel	36,000
6.	Pooja Harshad Rathod	36,000
7.	Shweta Sojitra	36,000
8.	Vaishaki Hardik Prajapati	36,000
9.	<b>TOTAL</b>	<b>38,70,000</b>

2. Except as stated below, our Company has not issued any Equity Shares for consideration other than cash:

Date of Allotment	No. of Equity Shares allotted	Face Value (in Rs.)	Issue Price (In Rs.)	Reason for allotment	Benefits accrued to our Company	Allottees
July14, 2024	38,70,000	10	-	Bonus Issue in the ratio of 9:10, made to the existing shareholders of the Company	Expansion of Business	Refer to Note 1

**Note 1:** The Names of the allottees, being the shareholders to whom 38,70,000 Equity Shares of the Company of face value of Rs. 10 each, were allotted on July 14, 2024, for consideration other than cash, in terms of the Bonus Issue in the ratio of 9:10, is provided below:

<b>S. No.</b>	<b>Name of the Allottee</b>	<b>No. of shares allotted</b>
1	Mayurbhai Popatlal Sojitra	9,31,500
2	Vivek Ashok Kumar Patel	9,31,500
3	Harshad Nanubhai Rathod	9,31,500
4	Hardik Mukundbhai Prajapati	9,31,500
5	Ankita Vivek Patel	36,000
6	Pooja Harshad Rathod	36,000
7	Shweta Sojitra	36,000
8	Vaishaki Hardik Prajapati	36,000
	<b>Total</b>	<b>38,70,000</b>

3. Our Company has not issued any Equity Shares out of revaluation reserve or reserves without accrual of cash resources.
4. Since incorporation, our Company has not issued any equity shares in terms of any scheme approved under sections 230-234 of the Companies Act, 2013.
5. Our Company has not issued equity shares under any employee stock option schemes.
6. Our Company has not issued Equity Shares in the last one year below the Issue Price.

## 7. Shareholding pattern of our Company

The following is the shareholding pattern of the Company as on the date of this Draft Red Herring Prospectus

TABLE- I - SUMMARY STATEMENT HOLDING OF SPECIFIED SECURITIES																		
S. No. (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities (IX)			No. 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)	
								No. of Voting Rights					Total as a % of (A+B + C)	No. (a)	As a % of total Shares held (b)	No. (a)		As a % of total Shares held (b)
								Class: (Equity Shares, Fully Paid up)	Class: eg:y	Total								
(A)	Promoter & Promoter Group	08	81,70,000	0	0	81,70,000	100%	81,70,000	NA	81,70,000	100%	0	100%	0	0.00%	0	0.00%	81,70,000
(B)	Public	0	0	0	0	0	0.00	0	NA	0	0	0	0.00%	0	0.00%	0	0.00%	0
(C)	Non Promoter-Non Public	0	0	0	0	0	0.00	0	NA	0	0	0	0.00%	0	0.00%	0	0.00%	0

(C1)	Shares underlying DRs	0	0	0	0	0	0.00	0	NA	0	0	0	0.00%	0	0.00%	0	0.00%	0
(C2)	Shares held by Employee Trusts	0	0	0	0	0	0.00	0	NA	0	0	0	0.00%	0	0.00%	0	0.00%	0
	<b>Total</b>	08	81,70,000	0	0	81,70,000	100%	81,70,000	NA	81,70,000	100%	0	100%	0	0.00%	0	0.00%	81,70,000

Note: All Pre-IPO Equity Shares would be locked-in pursuant to the applicable provisions of SEBI ICDR Regulations.

Table II - Statement Showing shareholding pattern of the Promoter and Promoter Group																		
S. No.	Category & Name of the Shareholders (I)	PAN (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII)=(IV) + (V)+(VI)	Shareholding % calculated as per SCRR, 1957) As a % of (A+B+C) (VIII)	Number of Voting Rights held in each class of securities (IX)		No 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+C)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights				Total as a % of Total Voting rights	No	As a % of total shares held (b)	No		As a % of total shares held (b)
									Equity shares	Total								
(1)	Indian																	

(a)	<b>Individuals/Hindu undivided Family</b>																	
	Mayurbhai Papatlal Sojitra	-	1	19,66,500	-	-	19,66,500	24.07%	19,66,500	19,66,500	24.07%	-	19,66,500	-	-	-	-	19,66,500
	Vivek Ashok Kumar Patel	-	1	19,66,500	-	-	19,66,500	24.07%	19,66,500	19,66,500	24.07%	-	19,66,500	-	-	-	-	19,66,500
	Harshad Nanubhai Rathod	-	1	19,66,500	-	-	19,66,500	24.07%	19,66,500	19,66,500	24.07%	-	19,66,500	-	-	-	-	19,66,500
	Hardik Mukundbhai Prajapati		1	19,66,500	-	-	19,66,500	24.07%	19,66,500	19,66,500	24.07%	-	19,66,500	-	-	-	-	19,66,500
	Ankita Vivek Patel		1	76,000	-	-	76,000	0.93%	76,000	76,000	0.93%	-	76,000	-	-	-	-	76,000
	Pooja Harshad Rathod		1	76,000	-	-	76,000	0.93%	76,000	76,000	0.93%	-	76,000	-	-	-	-	76,000
	Shweta Sojitra		1	76,000	-	-	76,000	0.93%	76,000	76,000	0.93%	-	76,000	-	-	-	-	76,000
	Vaishaki Hardik Prajapati		1	76,000	-	-	76,000	0.93%	76,000	76,000	0.93%	-	76,000	-	-	-	-	76,000
(b)	Central Government/State Government(s)	-	-	-	-	-	-	0%	-	-	0%	-	0%	-	-	-	-	-

(c)	Financial Institutions/Banks	-	-	-	-	-	-	0%	-	-	0%	-	0%	-	-	-	-	-
(d)	Any Other (specify)																	
	<b>Bodies Corporate</b>	-	-	-	-	-	-	0%	-	-	0%	-	0%	-	-	-	-	-
	<b>Sub Total = (A1)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	<b>Foreign</b>																	
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	-	-	-	-	-	-	0%	-	-	0%	-	0%	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	0%	-	-	0%	-	0%	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	0%	-	-	0%	-	0%	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	0%	-	-	0%	-	0%	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	0%	-	-	0%	-	0%	-	-	-	-	-
	<b>Sub Total = (A2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Shareholding of Promoter and</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	<b>Promoter Group</b> <b>(A)=(A)(1)+(A)(2)</b>																	
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Table III - Statement Showing shareholding pattern of Public Shareholders																		
S.No	Category & Name of the Shareholders (I)	PAN (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII)=(IV) + (V)+(VI)	Shareholding % calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No 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)
									No of Voting Rights		Total as a % of Total Voting rights			No	As a % of total shares held (b)	No. (Not applicable) (a)	As a % of total shares held (Not applicable) (b)	
									Equity Shares	Total								
(1)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Mutual Funds / UTI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



(e)	Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h)	Provident Funds / Pension Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub Total = (B1)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Central Government / State Government(s) / President of India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(3)	Non-Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Individuals-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	i. Individual shareholders holding nominal share	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	capital upto Rs.2 lakhs																	
	ii.Individual shareholders holding nominal share capital in excess of Rs.2 lakhs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Others- Bodies Corporate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub Total = (B2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**Table IV - Statement Showing shareholding pattern of the Non Promoter - Non Public shareholder**

	Category & Name of the Shareholders (I)	PAN (II)	No of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII)=(IV) + (V)+(VI)	Shareholding % calculated as per SCRR. 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying outstanding convertible securities (including Warrants) (X)	Total 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)	
									No of Voting Rights		Total as a % of Total Voting rights			No.	As a % of total shares held (b)	No. (Not applicable) (a)	As a % of total shares held (Not applicable) (b)		
									Class x	Class y									Total
(1)	Custodian / DR Holder	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Non Promoter - Non Public Shareholding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	(C)=(C)(1)+(C)(2)																	
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- (i) The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as on the date of this Draft Red Herring Prospectus are:

S. No.	Name of the Shareholders	No. of shares	% of Pre-Issue Capital
1.	Mayur Popatlal Sojitra	19,66,500	24.07%
2.	Harshad Nanubhai Rathod	19,66,500	24.07%
3.	Vivek Ashok Kumar Patel	19,66,500	24.07%
4.	Hardik Mukundbhai Prajapati	19,66,500	24.07%

- (ii) The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company ten days prior to date of this Draft Red Herring Prospectus are:

S. No.	Name of the Shareholders	No. of shares	% of Pre-Issue Capital
1.	Mayur Popatlal Sojitra	19,66,500	24.07%
2.	Harshad Nanubhai Rathod	19,66,500	24.07%
3.	Vivek Ashok Kumar Patel	19,66,500	24.07%
4.	Hardik Mukundbhai Prajapati	19,66,500	24.07%

- (iii) The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company one year prior to date of this Draft Red Herring Prospectus– Nil

- (iv) The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company two years prior to date of this Draft Red Herring Prospectus - Nil

8. As on date we do not have any proposals or intentions, negotiations and considerations to alter the capital structure by way of split or consolidation of the denomination of the shares, or issue of Equity Shares on a preferential basis or issue of bonus or rights or further public issue of Equity Shares, within a period of six months from the date of opening of the present issue.

## 9. Details of Shareholding of the Promoters

### a. MAYURBHAI POPATLAL SOJITRA

Date of Allotment / transfer	Nature of Issue & reason for allotment	No. of Equity Shares	Face Value (Rs.)	Issue/consideration (Rs.)	Consideration	Date when the shares were made fully paid up	Percentage of Pre Issue capital	Percentage of Post Issue capital	Number of Pledged shares	Percentage of Pledged shares to Total Pre
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										issue Holding
Incorporation, November 29, 2023	Subscribers to Memorandum and Articles	9,60,000	10	10	Cash	The shares were issued as fully paid up shares	11.75 %	[●]	0	0.00%
July 09, 2024	Right Issue	75,000	10	100	Cash	The shares were issued as fully paid up shares	0.92%	[●]	0	0.00%
July 14, 2024	Bonus Issue	9,31,500	No Consideration	No Consideration	No Consideration	The shares were issued as fully paid up shares	11.40 %	[●]	0	0.00%
<b>Total</b>		<b>19,66,500</b>					<b>24.07 %</b>	<b>[●]</b>	<b>0</b>	<b>0.00%</b>

**b. VIVEK ASHOK KUMAR PATEL**

Date of Allotment / transfer	Nature of Issue & reason for allotment	No. of Equity Shares	Face Value (Rs.)	Issue/consideration (Rs.)	Consideration	Date when the shares were made fully paid up	Percentage of Pre Issue capital	Percentage of Post Issue capital	Number of Pledged shares	Percentage of Pledged shares to Total Pre issue Holding
Incorporation, November 29, 2023	Subscribers to Memorandum and Articles	9,60,000	10	10	Cash	The shares were issued as fully paid up shares	11.75 %	[●]	0	0.00%
July 09, 2024	Right Issue	75,000	10	100	Cash	The shares were issued as fully paid up shares	0.92%	[●]	0	0.00%
July 14, 2024	Bonus Issue	9,31,500	No Consideration	No Consideration	No Consideration	The shares were issued as fully paid up shares	11.40 %	[●]	0	0.00%
<b>Total</b>		<b>19,66,500</b>					<b>24.07</b>	<b>[●]</b>	<b>0</b>	<b>0.00%</b>

							%			
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**c. HARSHAD NANUBHAI RATHOD**

Date of Allotment / transfer	Nature of Issue & reason for allotment	No. of Equity Shares	Face Value (Rs.)	Issue/ consideration (Rs.)	Consideration	Date when the shares were made fully paid up	Percentage of Pre Issue capital	Percentage of Post Issue capital	Number of Pledged shares	Percentage of Pledged shares to Total Pre issue Holding
Incorporation, November 29, 2023	Subscribers to Memorandum and Articles	9,60,000	10	10	Cash	The shares were issued as fully paid up shares	11.75 %	[•]	0	0.00%
July 09, 2024	Right Issue	75,000	10	100	Cash	The shares were issued as fully paid up shares	0.92%	[•]	0	0.00%
July 14, 2024	Bonus Issue	9,31,500	No Consideration	No Consideration	No Consideration	The shares were issued as fully paid up shares	11.40 %	[•]	0	0.00%
<b>Total</b>		<b>19,66,500</b>					<b>24.07 %</b>	<b>[•]</b>	<b>0</b>	<b>0.00%</b>

**d. HARDIK MUKUNDBHAI PRAJAPATI**

Date of Allotment / transfer	Nature of Issue & reason for allotment	No. of Equity Shares	Face Value (Rs.)	Issue/ consideration (Rs.)	Consideration	Date when the shares were made fully paid up	Percentage of Pre Issue capital	Percentage of Post Issue capital	Number of Pledged shares	Percentage of Pledged shares to Total Pre issue Holding
Incorporation, November 29, 2023	Subscribers to Memorandum and Articles	9,60,000	10	10	Cash	The shares were issued as fully paid up shares	11.75 %	[•]	0	0.00%

July 09, 2024	Right Issue	75,000	10	100	Cash	The shares were issued as fully paid up shares	0.92%	[•]	0	0.00%
July 14, 2024	Bonus Issue	9,31,500	No Consideration	No Consideration	No Consideration	The shares were issued as fully paid up shares	11.40%	[•]	0	0.00%
<b>Total</b>		<b>19,66,500</b>					<b>24.07%</b>	<b>[•]</b>	<b>0</b>	<b>0.00%</b>

10. Our Company has 08 (Eight) shareholders as on the date of this Draft Red Herring Prospectus.

11. Details of the aggregate shareholding of the Promoter Group and of the directors of the promoters, where the Promoter is a body corporate:

Name	Shareholding in the Company (In Nos.)
<b>Promoter</b>	
Mr. Mayurbhai Popatlal Sojitra	19,66,500
Mr. Vivek Ashok Kumar Patel	19,66,500
Mr. Harshad Nanubhai Rathod	19,66,500
Mr. Hardik Mukundbhai Prajapati	19,66,500
<b>Promoters' Group</b>	
Mrs. Ankita Vivek Patel	76,000
Mrs. Pooja Harshad Rathod	76,000
Mrs. Shweta Sojitra	76,000
Mrs. Vaishaki Hardik Prajapati	76,000
<b>Total</b>	<b>81,70,000</b>

*Note: None of our Promoters is a Body Corporate, accordingly data pertaining to only individual Promoters is provided in the above table.*

12. The following are the instances of sale or purchase of the Equity Shares by the Promoter Group and/or by the Directors of the Issuer and their immediate relatives within six months immediately preceding the date of filing draft offer document with the NSE.

### Shares Acquired by the Promoters and Promoters Group

#### a. In case of Acquisition by Transfer



Our Promoter Group, Directors and their immediate relatives have not purchased/sold Equity Shares of the Company during last 6 months.

**b. In case of Acquisition by Allotment**

S. No	Name of Person(s)	No. of Equity Shares	Acquisition Date	Face Value (Rs.)	Issue Price (Rs.)
1.	Mayurbhai Popatlal Sojitra	9,60,000 <sup>(1)</sup>	November 29, 2024	10.00	10.00
2.	Vivek Ashok Kumar Patel	9,60,000 <sup>(1)</sup>	November 29, 2024	10.00	10.00
3.	Harshad Nanubhai Rathod	9,60,000 <sup>(1)</sup>	November 29, 2024	10.00	10.00
4.	Hardik Mukundbhai Prajapati	9,60,000 <sup>(1)</sup>	November 29, 2024	10.00	10.00
5.	Ankita Vivek Patel	40,000 <sup>(1)</sup>	November 29, 2024	10.00	10.00
6.	Pooja Harshad Rathod	40,000 <sup>(1)</sup>	November 29, 2024	10.00	10.00
7.	Shweta Sojitra	40,000 <sup>(1)</sup>	November 29, 2024	10.00	10.00
8.	Vaishaki Hardik Prajapati	40,000 <sup>(1)</sup>	November 29, 2024	10.00	10.00
9.	Mayurbhai Popatlal Sojitra	75,000 <sup>(2)</sup>	July 09, 2024	10.00	100.00
10.	Vivek Ashok Kumar Patel	75,000 <sup>(2)</sup>	July 09, 2024	10.00	100.00
11.	Harshad Nanubhai Rathod	75,000 <sup>(2)</sup>	July 09, 2024	10.00	100.00
12.	Hardik Mukundbhai Prajapati	75,000 <sup>(2)</sup>	July 09, 2024	10.00	100.00
13.	Mayurbhai Popatlal Sojitra	9,31,500 <sup>(3)</sup>	July 14, 2024	Nil	Nil
14.	Vivek Ashok Kumar Patel	9,31,500 <sup>(3)</sup>	July 14, 2024	Nil	Nil
15.	Harshad Nanubhai Rathod	9,31,500 <sup>(3)</sup>	July 14, 2024	Nil	Nil
16.	Hardik Mukundbhai Prajapati	9,31,500 <sup>(3)</sup>	July 14, 2024	Nil	Nil
17.	Ankita Vivek Patel	36,000 <sup>(3)</sup>	July 14, 2024	Nil	Nil
18.	Pooja Harshad Rathod	36,000 <sup>(3)</sup>	July 14, 2024	Nil	Nil
19.	Shweta Sojitra	36,000 <sup>(3)</sup>	July 14, 2024	Nil	Nil
20.	Vaishaki Hardik Prajapati	36,000 <sup>(3)</sup>	July 14, 2024	Nil	Nil

**Note 1:** Allotments pursuant to conversion of M/s Accretion Pharmaceuticals, a partnership firm into a limited company M/s Accretion Pharmaceuticals Limited

**Note 2:** Allotments Pursuant to Right issue made by the company

**Note 3:** Allotments Pursuant to Bonus issue made by the company

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

14. There are no financing arrangements whereby the Promoters, Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of the Issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of filing offer document with the Stock Exchanges.

**15. Details of Promoters' Contribution and Lock-in for Three Years**

Pursuant to Regulation 236 and 238 of the SEBI ICDR Regulations, an aggregate of at least 20% of the fully diluted post-Issue Equity Share capital of our Company held by our Promoter shall be locked-in for a period of 3 (three) years as minimum promoter’s contribution from the date of Allotment (“Minimum Promoter’s Contribution”) and the shareholding of the Promoters in excess of 20% of the fully diluted post-Issue Equity Share capital of our Company shall be locked in for a period of 1 year from the date of Allotment.

Details of the Equity Shares to be locked-in for 3 (three) years from the date of Allotment as Minimum Promoter’s Contribution are set forth in the table below:

Date of Allotment/ Acquisition	Date when the shares were made fully paid up	Nature of Issue & reason for allotment	No. of Equity Shares	Face Value (Rs.)	Issue/ acquisition Price (Rs.)	Percentage of Pre Issue capital	Percentage of Post Issue capital
<b>Mr. [●]</b>							
[●]	[●]		[●]	[●]	[●]	[●]%	[●]%
[●]	[●]		[●]	[●]	-	[●]%	[●]%
<b>Total</b>			<b>[●]</b>			<b>[●]%</b>	<b>[●]%</b>

*\* To be updated prior to filing of the Prospectus with the RoC*

Each of the Promoter(s) has given their consent to include such number of Equity Shares held by them as disclosed above, constituting 20% of the post-Offer Equity Share capital of our Company as Minimum Promoter’s Contribution and has agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Minimum Promoter’s Contribution from the date of filing this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

The Equity Shares above that will be locked-in with the Depositories are not, and will not be, ineligible for computation of Promoters’ Contribution under Regulation 237 of the SEBI ICDR Regulations. In this computation, as per Regulation 237 of the SEBI ICDR Regulations, our Company confirms that the Equity Shares locked-in do not, and shall not, consist of:

- Equity Shares acquired three years preceding the date of this Draft Red Herring Prospectus for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources or unrealized profits or against equity shares which are otherwise ineligible for computation of Promoters’ Contribution.
- The Equity Shares acquired during the year preceding the date of this Draft Red Herring Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in this Issue is not part of the minimum promoter’s contribution.

- The Equity Shares held by the Promoters and offered for minimum 20% Promoter's Contribution are not subject to any pledge or any other form of encumbrances.

#### **16. Equity Shares locked-in for one year other than Minimum Promoters' Contribution**

Pursuant to Regulation 238(b) and 239 of the SEBI ICDR Regulations, other than the Equity Shares held by our Promoter, which will be locked-in as minimum Promoters' contribution for three years, all pre-Issue Equity Shares shall be subject to lock-in for a period of one year from the date of Allotment in this Issue.

#### **17. Inscription or Recording of non-transferability**

In terms of Regulation 241 of the SEBI ICDR Regulations, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription "Non-Transferable" and specify the lock-in period and in case such equity shares are dematerialized, the Company shall ensure that the lock in is recorded by the Depository.

#### **18. Pledge of Locked in Equity Shares**

Pursuant to Regulation 242 of the SEBI ICDR Regulations, the locked-in Equity Shares held by our Promoters can be pledged with any scheduled commercial bank or public financial institution or systematically important nonbanking finance company or a housing finance company as collateral security for loans granted by them, provided that:

- a) if the equity shares are locked-in in terms of clause (a) of regulation 238, the loan has been granted to the company or its subsidiary(ies) for the purpose of financing one or more of the objects of the issue and pledge of equity shares is one of the terms of sanction of the loan;
- b) if the specified securities are locked-in in terms of clause (b) of regulation 238 and the pledge of specified securities is one of the terms of sanction of the loan.

Provided that such lock-in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the equity shares till the lock-in period stipulated in these regulations has expired.

#### **19. Transferability of Locked in Equity Shares**

In terms of Regulation 243 of the SEBI ICDR Regulations and subject to provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable;

- a) The Equity Shares held by our Promoters and locked in as per Regulation 238 of the SEBI ICDR Regulations may be transferred to another Promoters or any person of the Promoters' Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for

the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.

- b) The equity shares held by persons other than promoters and locked in as per Regulation 239 of the SEBI ICDR Regulations may be transferred to any other person (including Promoter and Promoters' Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.

**20. Buy-back and Standby arrangements**

The Company, its Promoters and Promoters Group, its Directors and the Lead Managers have not entered into any buy back arrangements for purchase of the Equity Shares of the Company from any person.

21. All the Equity Shares offered through the issue shall be fully paid-up.
22. The details of shareholding, if any, of the Lead Managers and their associates in the Company – **Nil**.
23. There are no options granted or equity shares issued under any scheme of employee stock option or employee stock purchase of the Company.
24. None of the Directors or key managerial personnel holds Equity Shares in the Company except as stated in the section titled "Our Management" on page 187 of this Draft Red Herring Prospectus.
25. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest multiple of minimum lot, during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
26. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and NSE Emerge. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines.
27. An applicant cannot make an application for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

28. As on the date of filing the Draft Red Herring Prospectus with NSE, there are no outstanding financial instruments or any other right, which would entitle the Promoters or Shareholders or any other person any option to receive equity shares after the Issue. The Company does not have any shares to be allotted, which are outstanding under ESOPs.
29. At any given point of time there shall be only one denomination of Equity Shares of our Company, unless otherwise permitted by law. The Company shall comply with such disclosures and accounting norms specified by SEBI from time to time.
30. The Company, the Directors, the Promoter or the Promoter Group shall not make any, direct or indirect, payments, discounts, commissions or allowances under this Issue, except as disclosed in this Draft Red Herring Prospectus.
31. There are no Equity Shares against which depository receipts have been issued.
32. Other than the Equity Shares, there is no other class of securities issued by our Company.
33. We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of registering this Prospectus with the RoC and the Issue Closing Date are reported to the Stock Exchanges within twenty-four (24) hours of such transactions being completed.
34. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, the Issue is being made for at least 25% of the Post-Issue Paid-up Equity Share capital of our Company. Further, this Issue is being made in terms of Chapter IX of the SEBI ICDR Regulations as amended from time to time.
35. Our Promoters and members of our Promoter Group will not participate in this Issue.
36. The Equity Shares held by the Promoter are not subject to any pledge.

## SECTION VII: PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The objects of the present issue of Equity Shares are:

- a. Capital expenditure towards purchase of new equipment/machineries, etc.
- b. Capital expenditure towards upgradation of existing manufacturing facility;
- c. Expenditure in connection with product registration in overseas market;
- d. Repayment/prepayment of certain borrowings availed by our Company;
- e. Funding working capital requirements; and
- f. General Corporate Purpose

Collectively referred to as “Objects”.

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchange, enhancement of our Company’s brand name and creation of a public market for our Equity Shares in India.

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

#### Utilisation of Issue Proceeds

The details of the Issue Proceeds are summarized below:

Particulars	Amount in Rs. Lakh
Issue Proceeds	[●]
Less: Issue related expenses	[●]
<b>Net Proceeds</b>	<b>[●]</b>

We intend to utilize the Net Proceeds for the Objects as stated above.

The details of the estimated proceeds of the Issue are as follows:

#### 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 [●] (In Rs. Lakh)	Balance Amount remaining to be deployed (In Rs.	Amounts to be financed from Net Proceeds of the Issue	Estimated Net Proceeds Utilization (In Rs. Lakh)	
						FY 2024-25	FY 2025-26

				Lakh)	(In Rs. Lakh)		
1.	Capital expenditure towards purchase of new equipment/machineries, etc.	213.74	[●]	213.74	213.74	213.74	-
2.	Capital expenditure towards upgradation of existing manufacturing facility	477.02	[●]	477.02	477.02	477.02	-
3.	Expenditure in connection with product registration in overseas market;	204.12	[●]	204.12	204.12	204.12	-
4.	Repayment/prepayment of certain borrowings availed by our Company;	160.06	[●]	160.06	160.06	160.06	-
5.	Funding working capital requirements	[●]	[●]	[●]	[●]	[●]	-
6.	General Corporate Purpose	[●]	[●]	[●]	[●]	[●]	-
	<b>Total</b>	[●]	[●]	[●]	[●]	[●]	-

We intend to completely finance the Objects from the Net Proceeds, accordingly, we confirm that there is no requirement for us to make any further arrangements for financing the same through any verifiable means.

The fund requirement described below is based on the internal management estimates and is not appraised by any bank or financial institution and are based on quotations received from vendors and suppliers, which are subject to change in the future. These are based on current conditions and are subject to revisions in light of changes in external circumstances or costs, or our financial condition, business or strategy. For further details of factors that may affect these estimates, please refer to section titled "Risk Factors" beginning on page 34 of this Draft Red Herring Prospectus.

Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan and estimates from time to time and consequently our funding requirements and deployment of funds may also change. This may also include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Net Proceeds, subject to compliance with applicable law.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals, cash flow from our operations and/or debt, as required. In case of a shortfall in the Net Proceeds, we may explore a range of options including utilizing our internal accruals, and / or seeking additional debt. In the event that estimated

utilization out of the Net Proceeds in a Fiscal is not completely met, the same shall be utilized in the next Fiscal.

While we intend to utilise the Net Proceeds in the manner provided above, in the event of a surplus, we will use such surplus towards general corporate purposes including meeting future growth requirements.

No part of the proceeds of this issue will be paid as consideration to our promoters, directors, key managerial employees or group concerns/companies promoted by our promoters.

### Details of the objects

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

The Company proposes purchase new machinery/equipment for installing the same at their existing manufacturing facility located at 29 Xcelon Industrial Park 1, Behind Intas Pharmaceuticals, Vasna Chacharvadi, Ahmedabad, Sanand, Gujarat, India, 382213. With the installation of these new machineries/equipment, the Company would be in a position to automate some of its processes viz. testing process, packaging process etc. 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.

#### ***New Plant and Machinery***

The list of machinery/equipment proposed to be acquired along with details of quotations 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
a.	Pouch Packaging Machine – Combo Model with Liquid filling attachment 5 ml to 15 ml	1	Samarika Pharma Solutions LLP	August 02, 2024	90 days	5.40	6.37 <sup>Note a</sup>
b.	Change parts for Powder filling CT-70 Automatic Capsule Filling with Polishing Sorting Line Machine	1 Set	Captech Systems	August 06, 2024	90 days	19.42	22.92 <sup>Note b</sup>



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	August 01, 2024	90 days	60.09	70.91 <sup>Note c</sup>
	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	1	Anachrom Sales & Service	August 07, 2024	90 days	24.36	28.86 <sup>Note d</sup>
	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					
	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	1 Pkt					

	SHIMADZU Type						
	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, Powder level sensing devic- very low level- FFS, Turret with lower punch keyway, additional std fill cams- 8/12 mm B TI and Installation charges)	1	Cadmach Machinery Company Private Limited	August 05, 2024	90 days	71.77	84.68 <sup>Note e</sup>
	<b>Total</b>					<b>181.04</b>	<b>213.74</b>

**Notes:**

- a) *The quoted price is Ex Factory Kalol Packaging. Further, Forwarding Freight Octroi & Insurance, Packaging – Forwarding & Insurance Freight, and Installation charges would be extra as per actual. as per actuals;*
- b) *Packaging, Freight and Forwarding included in the quoted price;*
- c) *The quoted price is inclusive of packaging and exclusive of freight and insurance which would be as per actuals;*
- d) *Document/Installation as per quotation*
- e) *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.*
- f) *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 project cost. Such cost escalation would be met out of either of surplus portion of net issue proceeds (if any) or our internal accruals.

### Schedule of Implementation

Not applicable as the Company is incurring capital expenditure for installation of machineries/equipment at its existing manufacturing facility and no new project or expansion is being undertaken by the Company.

## 2. Capital expenditure towards upgradation of existing manufacturing facility, etc.

Our Company is presently exporting majority of its products (directly and/or indirectly) to geographies such as Africa, South-East Asia and Latin America. The Company is already engaged in manufacturing pharmaceutical formulations for geographies viz. Africa, South-East Asia and Latin America, and the Company further proposes to increase its reach to other countries such as Ghana, DRC, Kenya and Sri Lanka. As a part of obtaining registration of its products w.r.t. the pharmaceutical formulations prepared by the Company, the Company would be subject to country specific audit of its facilities. Accordingly, the Company proposes to upgrade its existing manufacturing facilities located at 29 Xcelon Industrial Park 1, Behind Intas Pharmaceuticals, Vasna Chacharvadi, Ahmedabad, Sanand, Gujarat, India, 382213.

### ***Break-up of the capital expenditure to be incurred in connection with upgradation of existing facility***

The list of upgradation activities to be incurred along with details of quotations 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
a.	HVAC AHU System (including Installation)	1 Lot	Samarika Pharma Solutions LLP	August 05, 2024	90 days	200.09	246.73 <sup>Note a</sup>
b.	BliSecure Inspection System (Model: BLIS Venus 3R)	2 Nos.	Kevision Systems	August 07, 2024	November 06, 2024	35.60	42.00 <sup>Note b</sup>
	BliSecure Inspection System (Model: BLIS Venus 6R)	2 Nos.					
c.	Puff Panel with Installation charges	1200	Micro Puftech Pvt. Ltd.	July 29, 2024	90 days	28.80	33.98 <sup>Note c</sup>
d.	Providing and laying 3 mm	15000 sq ft	Care Buildchem	August 08, 2024	90 days	16.30	19.23 <sup>Note d</sup>

	Avg. thick self levelling epoxy flooring system						
	Providing and laying 75 mm radius new coving	1000 sq ft					
e.	Providing and fixing MS Safety Gate Fabrication Work	180 kgs	Lasercut Industries	August 09, 2024	90 days	7.16	8.45 <sup>Note e</sup>
	Providing and fixing MS Safety Gate Fabrication Work	1200 kgs					
	Providing and fixing MS Grating Fabrication Work	4250.61 kgs					
f.	Twin Flat 2 core copper wires and cables for 1 mm (per meter)	1350 mtr	Nilkanth Corporation	August 09, 2024	90 days	9.62	11.35 <sup>Note f</sup>
	Nortek Vaaya PVC Insulated 2.5mm wire for home wiring Flame and hear retardant Electrical Wire (per meter)	2475 mtr					
	Low Voltage Landscape Lighting Wire- Outdoor Direct Burial Underground Low Energy circuit cable	1684					
	LED Shop Light 8ft, 72W 6000K cold white T8 LED Tube Light	4550.4					
	40A Miniature	58438					

	Circuit Breaker 480Y/277V						
	Bharath Petroleum Switch type regulator (Dimmer)	28000					
	Aluminium Diaphragm Pressure Switch, flameproof enclosure, for electronic/ electrical including labour	21000					
	Schneider Electric Opale - 6A 1 Way Switch (Pack of 6)	663					
g.	Furniture and Fixture work	NA	NAX Enterprise	August 15, 2024	90 days	16.38	19.34
h.	Size 3000 (H) * 2000 (L) * 1200 (D) having 3 Loading level. Capacity 1000 kg/Level – Main Unit	21	Advance Engineering	August 12, 2024	90 days	19.95	23.55
	Size 3000 (H) * 2000 (L) * 1200 (D) having 3 Loading level. Capacity 1000 kg/Level – Addon Unit	46					
	Size 3000 (H) * 2000 (L) * 600 (D) having 4 Loading level. Capacity 500 kg/Level – Main Unit	11					
	Size 3000 (H) * 2000 (L) * 600 (D) having 4 Loading level. Capacity 500	22					

	kg/Level – Main Unit						
i.	AADARSH MAKE – Online Inkjet Printing Station with TIJ 2.5 5-Print Head capable to print up to 12.5mm height blister/ labelling machine	2 sets	Aadarsh Enterprise	August 14, 2024	90 days	13.30	15.69 <sup>Note i</sup>
	AADARSH MAKE – Online Inkjet Printing Station with TIJ 2.5 3-Print Head capable to print up to 12.5mm height blister/ labelling machine	3 sets					
j.	Elevating Type Tablet De – Duster Machine Supplied with 2 No. Vibro Motor & AC Drive GMP Model	10	Shree Ratnashiv Pharma Needs	August 27, 2024	90 days	48.05	56.70 <sup>Note j</sup>
	Metal Detector GMP Model	04					
	S S Water Chiller 200 Liter Capacity GMP Model	01					
	Double Track Blister Pack Machine GMP Model Change Part As per Sample	02					
	<b>Total</b>					<b>395.25</b>	<b>477.02</b>

a) The prices are Ex Factory Kalol Packaging, and exclusive of Forwarding Freight Octroi & Insurance,

*Packaging – Forwarding & Insurance Freight, AHU & A/C Installation charges, which would be as per actuals. Transportation is to be provided by the client.*

- b) Transportation and Insurance to be extra, Installation included (however costs related to travel, lodging & boarding and local conveyance are to be paid/borne by customer)*
- c) Transportation, Freight, material insurance, unloading and shifting are to be done by buyer.*
- d) Transportation for material and accommodation included in above rates.*
- e) The prices are Ex-works of Vadodara and exclusive of Transit Insurance, Freight & Octroi which would be extra as applicable.*
- f) Cost includes Labour charges. The prices are Ex-works of Vadodara and exclusive of Transit Insurance, Freight & Octroi, which would be extra as applicable.*
- g) The prices are Ex-works of Vadodara and exclusive of Transit Insurance, Octroi, which would be extra as applicable.*
- h) Installation and Transportation Charges included.*
- i) The prices are Ex-works inclusive of all taxes*
- j) We have not placed orders against any of the quotations. We have considered the above quotations for the budgetary estimate purpose and the actual cost of procurement and actual supplier/dealer may vary.*
- k) All quotations received from the vendors mentioned above are valid as on the date of this Draft Red Herring Prospectus.*
- l) We are not acquiring any second-hand machinery/equipment.*
- m) 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 against the quoted cost at the actual time of purchase, resulting in increase in the project cost. Such cost escalation would be met out of either of surplus portion of net issue proceeds (if any) or our internal accruals.*

### **Schedule of Implementation**

Not applicable as the Company is incurring capital expenditure for upgradation of its existing manufacturing facility and no new project or expansion is being undertaken by the Company.

### **3. Expansion of the business by extending the operations to new countries;**

As part of our growth strategy, we aim to expand our operations into strategic markets, viz. Ghana, Democratic Republic of Congo (DRC), Kenya and Sri Lanka. This expansion is intended to leverage the high growth potential in these regions, diversify our market presence, and increase our global footprint. Accordingly, the Company is proposing to register certain of its products in the afore-mentioned markets. To this end the Company has obtained quotation dated August 05, 2024 for an amount of Rs. 204.12 Lakhs (USD 2,43,000, converted @ Rs. 84/USD) from Recolobo Solution for the purpose of Dossier registration and approval in Ghana, Democratic Republic of Congo (DRC), Kenya and Sri Lanka. The above quotation is inclusive of a) Company registration in respective country specific audit legal fees; b) Dossier submission fees to respective countries; c) Consulting Charges (which include - Product development and testing method development charges, three exhibit batch and its stability studies, Dossier compilation charges, Company registration in respective country specific audit executive expense, and Traveling expense and accommodation expenses 2 visit per annum for 2 persons). As per the terms of the quotation, if USD change more than 3 % from current price, differential amount would be added in quotation. The above quotation is valid for 90 days from the date of quotation.

#### 4. Repayment/prepayment of certain borrowings availed by our Company

Our business is capital intensive and we avail majority of our fund based and non-fund based facilities in the ordinary course of business from various banks and financial institutions. For further details of the loans availed by our Company, refer to section titled “Financial Indebtedness” beginning on page 240 of this Draft Red Herring Prospectus.

As of July 31, 2024 our Company had a total outstanding indebtedness from banks and other sources for amounting to Rs. 160.06 Lakhs. We propose to utilize Rs. 160.06 Lakhs from the Net Proceeds towards the repayment/prepayment of certain term loans and the working capital facility of bank availed by our Company. We believe that such repayment/ pre-payment will help reduce our outstanding indebtedness and our debt-equity ratio. We believe that reducing our indebtedness will result in an enhanced equity base, assist us in maintaining a favourable debt-equity ratio in the near future and enable utilization of our accruals for further investment in business growth and expansion. In addition, we believe that the leverage capacity of our Company will improve significantly to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business in the coming years.

The following table provides details of certain loans availed by our Company, which we may repay/ pre-pay, from the Net Proceeds, without any obligation to any particular bank:

Name of the Lender	Brief Terms and conditions	Amount outstanding as on July 31, 2024 (In Rs. Lakhs)
Indian Bank (LAN: 7692895195)	As per sanction letter Paldi: MSME/Loan: 2022-23 dated 16/03/2023. Tenure: 24 months RoI: 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	115.88
Indian Bank (LAN: 7692820774)	As per sanction letter Paldi: MSME/Loan: 2022-23 dated 16/03/2023 Tenure: 48 months RoI: 10.50%	44.18
		<b>160.06</b>

Some of our loan agreements provide for the levy of prepayment penalties or premium. We will take such provisions into consideration while deciding the loans to be repaid and/ or pre-paid from the Net Proceeds. Payment of such pre-payment penalty or premium, if any, shall be made by our Company out of the Net Proceeds of the Issue. In the event the Net Proceeds of the Issue are not sufficient for the said payment of pre-payment penalty or premium, our Company shall make such payment from



its internal accruals. We may also be required to provide notice to some of our lenders prior to prepayment.

Given the nature of these borrowings and the terms of repayment or pre-payment, the aggregate outstanding loan amounts may vary from time to time. In addition to the above, we may, from time to time, enter into further financing arrangements and draw down funds thereunder. In such cases or in case any of the above loans are repaid or pre-paid or further drawn down prior to the completion of the Offer, we may utilize Net Proceeds towards repayment or pre-payment of such additional indebtedness.

As per the certificate dated August 20, 2024 issued by M/s VSSB & Associates, Chartered Accountants, the Statutory Auditors of our Company, the above facilities have been utilised for the purposes for which they were sanctioned.

## 5. Funding working capital requirements

We propose to utilise Rs. [●] lakhs from the Net Proceeds to fund the working capital requirements of our Company for growth in business during the period of current financial year and preceding financial year ended on March, 2025. Our business is working capital intensive and we fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals, share capital and financing from banks and financial institutions by way of working capital facilities including short term loans. As on the date of this Draft Red Herring Prospectus, our Company's working capital facilities and borrowings from banks and financial institutions consisted of an aggregate fund-based limit of Rs. 650 Lakhs and an aggregate non-fund based limit of Nil on a standalone basis. As of July 20, 2024 the aggregate amounts outstanding under the fund based and non-fund based working capital facilities of our Company were Rs. 495.40 Lakhs and Rs. Nil, respectively on a standalone basis. For further details of the working capital facilities currently availed by us, please see "Financial Indebtedness" beginning on page 240 of this Draft Red Herring Prospectus.

### ***Basis of estimation of working capital requirements***

The details of our Company's working capital as at 20<sup>th</sup> July 2024, March 31, 2023, March 31, 2022 and March 31, 2021, derived from and the source of funding, on the basis of Restated Financial Statements as certified by us in the capacity of the Statutory Auditors of the Company, through our certificate dated August 20, 2024 under UDIN: 24109944BKACUK7843, are set out in the table below:

*Amount in Rs. Lakhs*

S. No.	Particulars	As at 20.07.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
1.	Inventory	1,438.15	1,447.58	776.39	693.28
2.	Debtors	717.98	580.44	579.94	406.80
3.	Advances	107.48	121.31	92.87	50.44
4.	Other Current Assets	-	-	-	-
	<b>Total Current Assets</b>	<b>2,263.61</b>	<b>2,149.33</b>	<b>1,449.20</b>	<b>1,150.52</b>
1.	Trade Payable	619.88	657.75	784.95	673.72
2.	Other Current Liabilities	44.15	22.06	31.85	25.85

	<b>Total Current Liabilities</b>	<b>664.03</b>	<b>679.81</b>	<b>816.8</b>	<b>699.57</b>
	<b>Net Working Capital</b>	<b>1,599.58</b>	<b>1,469.52</b>	<b>632.40</b>	<b>450.95</b>

On the basis of the existing working capital requirements, management estimates and estimated working capital requirements, the proposed funding of such working capital requirements is set forth below:

*Amount in Rs. Lakhs*

<b>S. No.</b>	<b>Particulars</b>	<b>As at 31.03.2025</b>	<b>As at 31.03.2026</b>	<b>As at 31.03.2027</b>
1.	Inventory	1,944	2,467	2,813
2.	Debtors	1,012	1,284	1,464
3.	Advances	-	-	-
4.	Other Current Assets	200	300	400
	<b>Total Current Assets</b>	<b>3,156</b>	<b>4,050</b>	<b>4,677</b>
1.	Trade Payable	1,161	1,509	1,703
2.	Other Current Liabilities	215	294	360
	<b>Total Current Liabilities</b>	<b>1,376</b>	<b>1,803</b>	<b>2,063</b>
	Net Working Capital (NWC)	1,780	2,248	2,614
	<b>Additional Requirement of NWC</b>	[●]	[●]	[●]
	<b>Loan / Own Fund /Internal accrual</b>	[●]	[●]	[●]
	<b>IPO Fund</b>	[●]	[●]	[●]

The details of Company's expected working capital requirements for the Financial Years ended on March 31, 2025, March 31, 2026 and March 31, 2027 as presented above, have been approved by the Board of Directors of the Company, in its meeting held on 27/08/2024 and have been reviewed by us. Hence, Total requirement of Working Capital from IPO for next 3 Years is [●] Lakh.

#### **Assumptions for working capital requirement as have been considered by us**

We have applied the following assumptions for the working capital requirement

- Total Inventory to be maintained at level of March 31, 2025, March 31, 2026 and March 31, 2027 are **120** days of consumptions in line with the same level as resulted in past trend.
- Debtors are proposed to be maintained at the level of March 31, 2025, March 31, 2026 and March 31, 2027 are **62** days of turnover. The same are proposed to be slightly improved from past trend by effects of growth in turnover.
- Other current assets and advances are at the March 31, 2025 at 12 days, March 31, 2026 at 15 days and March 31, 2027 at 17 days. The same are in line of past trend of business.

- Trade Payables are proposed to be maintained at March 31,2025 ,March 31,2026 and March 31, 2027 are **116** days to total purchases. The same are reduced slightly from the past trend to gain the better terms and improve profitability.
- Other Current liabilities are at the March 31,2025 at 13 days ,March 31,2026 at 14days and March 31, 2027 at 15days.The same are in line of past trend of business
- Overall working capital level are maintained at March 31,2025 at 110 days ,March 31,2026 at 109 days and March 31, 2027 at 112 days in the line of past trend of the business.

The basis of making the assumptions based on the historical trend and future projections:

Particulars	For the Financial Year ended March 31 (Actual)			For the 4 months period ended 20.07.2024, (Actual)	For the Financial Year ended March 31 (Projected)		
	2022	2023	2024		2025	2026	2027
Working capital- Days	73	79	145	143	110	109	112
Inventory -Days	112	96	156	129	120	120	120
Debtors -Days	66	72	62	65	62	62	62
Other Current Assets Days	8	12	13	10	12	15	17
Creditors-Day	147	128	116	94	116	116	116
Other Current Liabilities Days	4	4	15	4.33	13	14	15

## 6. General Corporate Purpose

We will have flexibility in utilizing the balance net proceeds, aggregating to Rs. [●] Lakhs equal to [●]% of the aggregate of the gross proceeds from the Issue towards general corporate purposes, such utilisation does not exceeding 25% of the aggregate of the gross proceeds from the Issue, in accordance with Regulation 230 (2) of the SEBI ICDR Regulations, including but not restricted towards part or full prepayment/repayment of our borrowings, strategic initiatives, acquisitions, investments in future subsidiaries of our Company, opening or setting up offices, business development initiatives, R&D, acquiring fixed assets, meeting any expense (including capital expenditure requirements) of our Company, including salaries and wages, rent, administration, insurance, repairs and maintenance, payment of taxes and duties, meeting expenses incurred in the ordinary course of business and towards any exigencies. The quantum of utilisation of funds toward the aforementioned purposes will be determined by our Board based on the amount actually available under the head “General Corporate Purposes” and the corporate requirements of our Company.

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

In addition to the above, our Company may utilize the net proceeds towards other expenditure (in the ordinary course of business) considered expedient and approved periodically by the Board. Our management, in response to the competitive and dynamic nature of the industry, will have the

discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilization of net proceeds and increasing or decreasing expenditure for a particular Object i.e., the utilization of net proceeds.

**Details of all material existing or anticipated transactions in relation to utilisation of the issue proceeds or project cost with promoters, directors, key management personnel, associates and group companies.**

No part of the issue proceeds will be paid as consideration to promoters, directors, key managerial personnel, associates or group companies except in the normal course of business and as disclosed in the sections titled 'Interest of Promoters' & 'Interest of Directors' as mentioned on page 221 and 198 of this Draft Red Herring Prospectus.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed through internal accruals and/or debt.

**Funding Plans (Means of Finance)**

Particulars	Amount (In Rs. Lakh)
Net Proceeds of the issue	[●]
<b>Total</b>	<b>[●]</b>

The stated objects of the Issue are proposed to be entirely financed by the Net Proceeds of the Issue, thus, we are not required to make any firm arrangements of finance through verifiable means towards 75% of the stated means of finance excluding the amount to be raised through the proposed Issue, as required under Regulation 230(1)(e) of the SEBI ICDR Regulations.

**Balance portion of the means of finance for which no firm arrangement has been made.**

Nil. The Means of Finance consists only of proceeds from the Proposed Issue.

In case of shortfall in net proceeds required to fund our stated objects, we may explore a range of options including utilizing our internal accruals, and / or seeking debt from lenders to fund our stated objects.

**The details of funds tied up and the avenues for deployment of excess proceeds, if any.**

No funds have been tied up and no excess proceeds are expected to be received. Oversubscriptions, if any, shall be duly refunded.

**Appraisal**

None of the Objects for which the Net Proceeds will be utilised have been appraised by any agency. The estimated requirement of funds for the Objects of the Issue are based upon Management estimates and commercial quotations received from vendors and suppliers. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

**Deployment of funds**

The Company has received the Sources and Deployment Funds Certificate dated August 20, 2024 from the Statutory Auditors, M/s VSSB & Associates., Chartered Accountants. The certificate states that the Company has deployed amounts aggregating Rs. 14.15 Lakhs for issue expenses till August 20, 2024. Details of the sources and deployment of funds as on August 20, 2024 as per the certificate are as follows:

Particulars	Amount (Rs. in Lakh)
Issue Expense	14.15
<b>Total</b>	<b>14.15</b>

#### Sources of Financing of Funds Already Deployed

Particulars	Amount (Rs. Lakh)
Internal Resources	[●]
<b>Total</b>	<b>[●]</b>

#### Deployment of Balance Funds

(in Rs. Lakh)

Deployment of Funds	Already incurred till [●]	To be incurred in Financial Year March 31, 2025	To be incurred in Financial Year March 31, 2026	Total
Capital expenditure towards purchase of new equipment/ machineries, etc.	[●]	213.74	-	213.74
Capital expenditure towards upgradation of existing manufacturing facility	[●]	477.02	-	477.02
Expenditure in connection with product registration in overseas market;	[●]	204.12	-	204.12
Repayment/prepayment of certain borrowings availed by our Company;	[●]	160.06	-	160.06
Funding working capital requirements	[●]	[●]	-	[●]
General Corporate Purpose	[●]	[●]	-	[●]

#### Interim Use of Funds

The management, in accordance with the policies set up by the Board, will have flexibility in deploying the net proceeds received by the company from the Issue. Pending utilization for the purposes described above, we intend to deposit the net issue proceeds pending utilization only in the scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934

### Issue Related Expenses

The expenses of this Issue include, among others, Lead Manager Fees, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The estimated expenses of the Issue are as follows:

Activity	Expense (in Rs. Lakh)	Percentage of Issue Expenses	Percentage of the Issue size
Lead manager(s) fees including underwriting commission, Advisor to the issue consultancy fees	[●]	[●]	[●]
Brokerage, selling commission and upload fees including Market maker <sup>(Refer Notes 1 to 4)</sup>	[●]	[●]	[●]
Registrars to the issue	[●]	[●]	[●]
Legal Advisors	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Regulators including stock exchanges	[●]	[●]	[●]
Printing and distribution of issue stationary	[●]	[●]	[●]
Restatement of Accounts and Peer Review Auditor	[●]	[●]	[●]
<b>Total Estimated Issue expenses</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>

(1) The SCSBs and other intermediaries will be entitled to a commission of Rs. [●] per every valid Application Form submitted to them and uploaded on the electronic system of the Stock Exchange by them, against which allotment is made by the Company.

(2) The SCSBs would be entitled to processing fees of Rs. [●] per every valid Application Form, for processing the Application Forms procured by other intermediaries and submitted to the SCSBs, against which allotment is made by the Company.

(3) Further the SCSBs and other intermediaries will be entitled to selling commission of [●] % of the Amount Allotted (product of the number of Equity Shares Allotted and the Issue Price) for the forms directly procured by them and uploaded on the electronic system of the Stock Exchange by them.

(4) The payment towards commission and processing fees will be completed within 30 days from the date of receipt of final invoice from the respective entities.

### Bridge Loan

Our Company has not raised any bridge loans from any banks or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds. However, depending upon business requirements, our Company may consider raising bridge financing facilities including by way of any other short-term instrument like non-convertible debentures, commercial papers, etc., pending receipt of the Net Proceeds.

### Monitoring Utilization of Funds

As the size of the Issue will not exceed Rs. 10,000 Lakh, the appointment of Monitoring Agency would not be required as per Regulation 262 of the SEBI ICDR Regulations.

Our Board and the management will monitor the utilization of the Net Proceeds through our audit

committee. Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the Application of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full.

Except in the usual course of business, no part of the proceeds from the Issue will be paid by the Company as consideration to its Promoters, Directors, Group Companies or key managerial employees.

For risks associated with respect to the objects of this Issue, please see "Risk Factors" beginning on page 34 of the Draft Red Herring Prospectus.

### **Variation in Objects**

In accordance with Section 13(8) and 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the shareholders by way of Special Resolution through postal ballot. Further, pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half- yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("Postal Ballot Notice") shall specify the prescribed details as required under the Companies Act. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, the vernacular language of the jurisdiction where our Registered Office is situated. Our Promoters will be required to provide an exit opportunity to such shareholders who do not agree to the above stated proposal, at a price as may be prescribed by SEBI, in this regard.

### **Other Confirmations**

There are no material existing or anticipated transactions with our Promoters, our Directors, our Company's Key Managerial Personnel, in relation to the utilization of the Net Proceeds. No part of the Net Proceeds will be paid by us as consideration to our Promoters, our directors or Key Managerial Personnel, except in the normal course of business and in compliance with the applicable laws.

## BASIS FOR ISSUE PRICE

*Investors should read the following summary with the section titled “Risk Factors”, the details about our Company under the section titled “Business Overview” and its financial statements under the section titled “Financial Statements” beginning on page 34, 141 and 229 respectively of this Draft Prospectus. The trading price of the Equity Shares of our Company could decline due to these risks and the investor may lose all or part of his investment.*

*The Issue Price shall be determined by our Company in consultation with the Lead Manager on the basis of the assessment of market demand for the Equity Shares through the Fixed Price Method and on the basis of qualitative and quantitative factors. The face value of the Equity Shares is Rs. 10/- each and the Issue Price.*

### QUALITATIVE FACTORS

We believe the following are our key strengths:

- ➔ Experienced Promoters and Management Team
- ➔ Consistently supplying quality products to our valued customers in time.
- ➔ Continually improving the quality standards by implementing process control and prevention techniques.
- ➔ Long-standing relationship with clients and suppliers
- ➔ Quality standards
- ➔ Legacy Business Process & Management
- ➔ Strong and experienced R&D team

For detail on qualitative factors pertaining to the pricing of this issue, please refer to “Business Overview” on page 141 of this Draft Prospectus.

### QUANTITATIVE FACTORS

Information presented in this section is derived from the Company’s restated financial statements. Some of the quantitative factors, which form the basis for computing the price, are as follows:

#### 1. Basic & Diluted Earnings Per Share (EPS):

**As per the restated standalone summary statements (as adjusted for changes in capital)**

Particulars	Basic EPS (In Rs.)	Diluted EPS (In Rs.)
For the period April 01, 2024 to July 20, 2024	6.53	6.53
For period ended March 31, 2024	9.69	9.69
For period ended March 31, 2023	NA	NA
For period ended March 31, 2022	NA	NA

Notes:



- The figures disclosed above are based on the Restated Financial Statements of the Company.
- The face value of each Equity Share is ₹ 10.00.
- Earnings per Share has been calculated in accordance with **Accounting Standard 20 – “Earnings per Share”** issued by the Institute of Chartered Accountants of India.
- Basic Earnings per share = Profit for the period / Weighted average number of equities shares outstanding during the three years.
- Diluted Earnings per share = Profit for the period / Weighted average number of potential equities shares outstanding during the three years.

**2. Pre-Issue Price Earning (P/E) Ratio in relation to the Issue Price of Rs. [●]/- per Equity Share of Rs. 10 each.**

Particulars	P/E
Based on Diluted Earnings per Share of Rs. [●] for the period ended July 20, 2024* as per Restated Standalone Financial Statements	[●]

\*Not Annualized

**Industry Peer Group P/E Ratio**

<b>Highest</b>	<b>65.30</b>
<b>Lowest</b>	<b>12.58</b>
<b>Average</b>	<b>33.65</b>

Note:

- Our Company is engaged in the business of manufacture, process, trade, sale, purchase, import, export, assemble, distribute, formulate, develop, consult, test and deal in all kind of Drugs, Pharmaceuticals, Ayurvedic, Nutraceutical, Pesticides, Dyestuffs, drugs, nutriments, nutraceuticals, dietary supplements, allopathy, ayurvedic, herbal, wellness, cosmetic homeopathy and or veterinary, including bulk drugs, and intermediates, organic compounds acids, vitamins, medicines from fermentation products, diagnostics, chemicals related to medicines, Chemical contraceptives, acids, alkalis, manure antibodies, bandages, medical cotton, gauge, crutches and various types of anatomical, orthopaedic or surgical instruments, implants, mother tincture preparations, globules, creams, scents, soaps, lotions, toiletry goods and related products thereto.
- The industry high and low has been considered from the industry peer set provided herein below. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed below
- P/E Ratio has been computed based on the closing market price of equity shares on NSE Limited on March 29, 2024, divided by the diluted EPS as at March 31, 2024.
- All the financial information for listed industry peers is sourced from the annual reports of the relevant companies for Financial Year 2024, as available on the websites of NSE Limited.

**3. Average Return on Net worth (RoNW)\***

Information presented below relating to the Company is based on the Restated Standalone Financial Statements.

Particulars	RONW	Weight
Year ended 31 <sup>st</sup> March, 2022	2.57%	1
Year ended 31 <sup>st</sup> March, 2023	2.70%	2
Year ended 31 <sup>st</sup> March, 2024	72.47%	3
<b>Weighted Average</b>	<b>37.56%</b>	
For the period ended July 20, 2024	15.81%	

Note:

- a) The figures disclosed above are based on the Restated Financial Statement of our Company. Return on Net worth has been calculated as per the following formula:
- b)  $\text{Return on Net Worth (\%)} = \text{Restated PAT attributable to Equity Shareholders} / \text{Net Worth} \times 100$

#### 4. Net Asset Value per Equity Share based on last Balance Sheet

Information presented below relating to the Company is based on the Restated Standalone Financial Statements.

Particulars	Amount (In Rs.)
Net Asset Value (pre-issue) for the period April 01, 2024 to July 20, 2024	12.57
Net Asset Value Post Issue	[●]
Issue Price per Equity Share	[●]

Note:

*Net Asset Value per Equity Share = Net worth derived from Restated Financial Statements as at the end of the period/ year divided by number of equity shares outstanding as at the end of period /year as per Restated Financial Statements.*

#### 5. Comparison of Accounting ratios with Industry peers

We believe following is our peer group which has been determined on the basis of listed public companies comparable in the similar line of segments in which our Company operates and whose business segment in part or full may be comparable with that of our business, however, the same may not be exactly comparable in size or business portfolio on a whole with that of our business.

Following is the comparison with our peer company listed in India:

S. No.	Name of the company	Face Value (Rs. Per Share)	EPS (Rs.)	P/E Ratio	RoNW (%)	Net Asset value per share (Rs.)
1	Accretion Pharmaceuticals Limited*	10	6.53	[●]	15.18%	12.57
<b>Peer group*</b>						

2	Sakar Healthcare Limited	10	5.64	65.30	4.45%	120.65
3	Lincoln Pharmaceuticals Limited	10	46.58	12.58	15.74%	295.98
4	Sotac Pharmaceuticals Limited	10	5.24	23.09	11.91%	43.69

*\*Source: The Company's Financial Figures are based on restated standalone audited financial statements for the period ended on July 20, 2024 unless provided otherwise. With respect to Industry peers, all the financial information mentioned above is on a standalone basis and is sourced from the audited results of the respective companies for the year ended March 31, 2024 unless provided otherwise.*

Notes for peer group:

- a) P/E Ratio has been computed based on the closing market price of equity shares on NSE on March 29, 2024 divided by the Basic EPS as at March 31, 2024.
- b) Return on Net Worth (%) = net profit after tax divided by net worth. Net worth has been computed as the aggregate of share capital and reserves and surplus/Other Equity as on March 31, 2024.
- c) NAV is computed as NAV is computed as the closing net worth as on March 31, 2024 divided by the outstanding number of equity shares as on March 31, 2024.

For further details, see section titled Risk Factors beginning on page 34 and the financials of the Company including profitability and return ratios, as set out in the section titled Auditors Report and Financial Information of Our Company beginning on page 229 of this Draft Prospectus for a more informed view.

#### **Key financial and operational performance indicators (“KPIs”)**

Key Performance Indicators (KPIs) are imperative to the Financial and Operational performance evaluation of the company. However, KPIs disclosed below shall not be considered in isolation or as substitute to the Restated Financial information. In the opinion of our Management the KPIs disclosed below shall be supplementary tool to the investor for evaluation of the company.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated August 27, 2024. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of the Draft Red herring Prospectus. Further, the KPIs herein have been certified by M/s VSSB & Associates, Chartered Accountants, by their certificate dated August 20, 2024.

For further details of our key performance indicators, see “Risk Factors, “Business Overview”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 34, 141 and 232, respectively. We have described and defined them, where applicable, in “Definitions and Abbreviations” section beginning on page 5. Our Company confirms that it shall continue to disclose all the KPIs included in this Page 123 in section “Basis for Issue Price”, on a periodic basis, at least once in a year (or for any lesser period as determined by the Board of our Company), for a duration, being the later of (i) one year after the listing date or period specified by SEBI; or (ii) till the utilization of the Net Proceeds. Any change in these KPIs, during the aforementioned period, will be explained by our Company as required under the SEBI ICDR Regulations.

Set forth below are KPIs which have been used historically by our Company to understand and analyse the business performance, which in result, help us in analyzing the growth of various verticals of the

Company that have a bearing for arriving at the Basis for the Issue Price.

### Financial KPIs of our Company

On the basis of standalone restated financial statements

(Amount in Lakhs, except %)

Key Performance Indicator	July 20, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from Operations <sup>(1)</sup>	1,187.10	3,366.52	2,938.43	2,229.20
Revenue from Operation Growth %	15.95%	14.57%	31.32%	-
EBITDA <sup>(2)</sup>	263.50	776.28	213.85	193.11
EBITDA Margin <sup>(3)</sup>	22.20%	23.06%	7.28%	8.66%
Restated Profit After Tax	156.73	387.53	10.39	7.90
PAT Margin <sup>(4)</sup>	13.20%	11.51%	0.35%	0.35%
Net Worth <sup>(5)</sup>	991.49	534.76	384.27	307.64
Capital Employed	2,082.62	1,882.98	1,230.85	1,068.40
ROE% <sup>(6)</sup>	15.81%	72.80%	2.70%	2.57%
ROCE% <sup>(7)</sup>	12.23%	36.73%	9.87%	10.49%

Notes:

- 1) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- 2) EBITDA is calculated as Profit before tax + Depreciation + Finance Cost
- 3) EBITDA Margin is calculated as EBITDA divided by Revenue from operations
- 4) PAT Margin is calculated as PAT for the period/year divided by revenue from operations.
- 5) Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account
- 6) Return on Equity is ratio of Profit after Tax and average Shareholder Equity
- 7) Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus total borrowings (current & non-current).

### Operational KPIs of our Company

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Installed Capacity	Tablet Section (MoU - Numbers)	65,00,00,000	65,00,00,000	65,00,00,000
	Oral Liquid Section (MoU - Bottle)	1,80,00,000	1,80,00,000	1,80,00,000
	External Perpetration Section (MoU - Tube)	90,00,000	90,00,000	90,00,000
	Capsule Section (MoU - Numbers)	20,00,00,000	20,00,00,000	20,00,00,000

	<b>Oral Powder Section (MoU - Bottle &amp; Pouch)</b>	15,00,00,000	15,00,00,000	15,00,00,000
<b>Capacity Utilization</b>	<b>Tablet Section (MoU - Numbers)</b>	34,78,80,000	28,01,50,000	25,90,25,000
	<b>Oral Liquid Section (MoU - Bottle)</b>	1,09,44,000	81,09,000	64,17,000
	<b>External Perpetration Section (MoU - Tube)</b>	36,00,900	16,83,900	14,63,400
	<b>Capsule Section (MoU - Numbers)</b>	9,19,40,000	7,02,80,000	6,41,40,000
	<b>Oral Powder Section (MoU - Bottle &amp; Pouch)</b>	3,69,90,000	2,71,35,000	1,28,55,000
<b>Contribution of Revenue from Top 5 Customers (%)</b>		57.04%	50.79%	33.48%

<b>KPI</b>	<b>Explanation</b>
<b>Revenue from Operation</b>	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business.
<b>Revenue Growth Rate %</b>	Revenue Growth rate informs the management of annual growth rate in revenue of the company in consideration to previous period
<b>EBITDA</b>	EBITDA provides information regarding the operational efficiency of the business
<b>EBITDA Margin (%)</b>	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
<b>EBITDA Growth Rate %</b>	EBITDA Growth Rate informs the management of annual growth rate in EBITDA of company in consideration to previous period
<b>ROCE %</b>	ROCE provides how efficiently our Company generates earnings from the capital employed in the business
<b>Current Ratio</b>	Current ratio indicate the company's ability to bear its short term obligations
<b>Operating Cash Flow</b>	Operating cash flow shows whether the company is able to generate cash from day to day business
<b>PAT</b>	Profit after Tax is an indicator which determine the actual earning available to equity shareholders
<b>ROE/RoNW</b>	It is an indicator which shows how much company is generating from its available shareholders' funds
<b>EPS</b>	Earning per shares is the company's earnings available of one share of the Company for the period

## Comparison of KPIs of our Company and our listed Peers

Comparison of Financial KPIs for the Company with that of Company's listed Peers:

*(Amount in Lakhs, except % and ratios)*

Particulars	Accretion Pharmaceuticals Limited				Sakar Healthcare Limited			Lincoln Pharmaceuticals Limited			Sotac Pharmaceuticals Limited		
	For the year ended				For the year ended			For the year ended			For the year ended		
	July 20, 2024	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from operations <sup>(1)</sup>	1,187.10	3,366.52	2,938.43	2,229.20	15335.17	13335.9	12,822.67	58,054.96	51,030.88	47,207.89	6,710.50	5,798.28	7,315.17
Growth in Revenue from Operations <sup>(2)</sup>	15.95%	14.57%	31.32%	-	14.99%	4.00%	----	13.76%	8.10%	----	15.73%	-20.74%	----
EBITDA <sup>(3)</sup>	263.50	776.28	213.85	193.11	4059.48	3,727.93	3,125.04	13,432.99	11,165.03	10,546.79	1,151.34	845.12	636.40
EBITDA Margin <sup>(4)</sup>	22.20%	23.06%	7.28%	8.66%	26.47%	27.95%	24.37%	23.14%	21.88%	22.34%	17.16%	14.58%	8.70%
EBITDA (%) Growth Period on Period <sup>(5)</sup>	66.06%	263.00%	10.74%	-	8.89%	19.29%	----	20.31%	5.86%	----	36.23%	32.80%	----
ROCE (%) <sup>(6)</sup>	12.23%	36.73%	9.87%	10.49%	7.10%	8.21%	10.15%	15.74%	14.51%	16.02%	17.09%	37.68%	64.91%
Current Ratio <sup>(7)</sup>	1.39	1.47	1.05	1.01	1.21	1.02	1.07	4.84	5.08	3.90	2.00	1.35	0.98
Operating Cash flow <sup>(8)</sup>	109.08	(385.69)	32.12	215.00	2446.67	3,334.40	2,035.04	6,324.45	3,915.62	7,618.29	(1,978.94)	853.61	358.21
PAT <sup>(9)</sup>	156.73	387.53	10.39	7.90	1,167.09	1,275.86	1,524.25	9,330.49	7,289.94	6935.5	574.88	449.55	329.55
ROE/ RoNW <sup>(10)</sup>	15.81%	72.80%	2.70%	2.57%	4.45%	7.36%	11.95%	15.74%	14.51%	16.02%	11.91%	39.02%	46.42%

EPS <sup>(11)</sup>	6.53	9.69	NA	NA	5.64	6.58	8.77	46.58	36.40	34.63	5.24	5.58	14.33
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*Notes:*

*(1) Revenue from operations is the total revenue generated by our Company.*

*(2) Growth in Revenue in percentage, Year on Year*

*(3) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses*

*(4) EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations*

*(5) EBITDA Growth Rate Year on Year in Percentage*

*(6) ROCE: Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus long term debt*

*(7) Current Ratio: Current Asset over Current Liabilities*

*(8) Operating Cash Flow: Net cash inflow from operating activities.*

*(9) PAT is mentioned as PAT for the period*

*(10) ROE/RoNW is calculated PAT divided by shareholders' equity*

*(11) EPS is mentioned as EPS for the period.*

## Weighted Average Cost of Acquisition

- a) *The Price per share of the Company based on primary / new issue of shares (equity/convertible securities), excluding shares issued under ESOP/ESOS and issuance of bonus shares, during the 18 months preceding the date of filing of the Draft Prospectus/Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days:*

Date of Allotment	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	(Issue price Adjusted for Bonus Issue)	Nature of consideration	Nature of Allotment	Consideration (in Rs.)
July 09, 2024	3,00,000	10	100	-	Cash	Right Issue	3,00,00,000/-

- b) *Price per share of the Company based on secondary sale / acquisition of shares (equity/convertible securities), where promoter / promoter group entities or shareholder(s) selling shares through offer for sale in IPO or shareholder(s) having the right to nominate director(s) in the Board of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of the Draft Prospectus/Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days:*

Name of Transferee	Name of Transferor	Date of Transfer	Number of shares	Transfer price per Equity Share (in Rs.)
Nil				

- c) *Issue price and cap price being [●] times the weighted average cost of acquisition (WACA) based on primary/ secondary transaction(s) as disclosed in terms of clause (a) and (b) above, shall be disclosed in the following manner:*

Past Transaction	WACA (in Rs.)	IPO Issue Price is [●]
WACA of Primary Issuance	100	[●]
WACA of Secondary Transaction	Nil	NA

- d) *Detailed explanation for offer price / cap price being [●] times of WACA of Primary issuance price / Secondary transaction price, along with comparison of Issuer Company's KPIs and financials ratios for the last three full financial years and stub period (if any) included in the offer document.*

*Our Company is engaged in the business of manufacture, process, trade, sale, purchase, import, export, assemble, distribute, formulate, develop, consult, test and deal in all kind of Drugs, Pharmaceuticals, Ayurvedic, Nutraceutical, Pesticides, Dyestuffs, drugs, nutriments, nutraceuticals, dietary supplements, allopathy, ayurvedic, herbal , wellness , cosmetic*



*homeopathy and or veterinary, including bulk drugs, and intermediates, organic compounds acids, vitamins, medicines from fermentation products, diagnostics, chemicals related to medicines, Chemical contraceptives, acids, alkalis, manure antibodies, bandages, medical cotton, gauge, crutches and various types of anatomical, orthopaedic or surgical instruments, implants, mother tincture preparations, globules, creams, scents, soaps, lotions, toiletry goods and related products thereto.*

The turnover of our Company based on the restated financials of the Company was ₹ 2,229.20 Lakhs as on March 31, 2022, ₹ 2,938.43 Lakhs as on March 31, 2023 and ₹ 3,366.52 Lakhs as on March 31, 2024. The financial year 2024 is showing growth of 14.57% as compare to financial year 2023. The Turnover for the period April 01, 2024 to July 20, 2024 was ₹ 1,187.10.

The EBITDA of our Company based on the restated financials of the Company was ₹ 193.11 Lakhs as on March 31, 2022, ₹ 213.85 Lakhs as on March 31, 2023 and ₹ 776.28 Lakhs as on March 31, 2024. The EBITDA for the period April 01, 2024 to July 20, 2024 was ₹ 263.50.

The Net Worth based on the restated financials of the Company was ₹ 307.64 lakhs as on March 31, 2022, ₹ 384.27 Lakhs as on March 31, 2023 and ₹ 534.76 lakhs as on March 31, 2024. The Net Worth for the period April 01, 2024 to July 20, 2024 was ₹ 991.49.

The PAT based on the restated financials of the Company was ₹ 7.90 Lakhs as on March 31, 2022, ₹ 10.39 Lakhs as on March 31, 2023 and ₹ 387.53 Lakhs as on March 31, 2024. The PAT for the period April 01, 2024 to July 20, 2024 was ₹ 156.73.

***e) Explanation for offer price / cap price being [●] times of WACA of Primary issuance price / Secondary transaction price in view of the external factors which may have influenced the pricing of the issue, if any.***

The Company in consultation with the Lead Manager believes that the Issue Price of Rs. [●] per Equity Share for the Issue is justified in view of the above parameters. Investor should read the above-mentioned information along with the chapter titled "Risk Factors" beginning on page 34 of this Draft Prospectus and the financials of our Company including important profitability and return ratios, as set out in the chapter titled "Restated Financial Statements" beginning on page 229 of this Draft Prospectus.

The Face Value of the Equity Shares is Rs. 10 per Equity Share and the Issue Price is [●] times of the face value i.e. Rs. [●] per Equity Share.

## STATEMENT OF POSSIBLE TAX BENEFITS

To,  
The Board of Directors  
Accretion Pharmaceuticals Limited  
29 Xcelon Ind Park 1, B/h, Intas Pharmaceuticals,  
Vasna Chacharvadi,  
Sanand, Ahmedabad – 382213,  
Gujarat, India.

Dear Sirs,

**Sub: Statement of Possible Special Tax Benefits available to Accretion Pharmaceuticals Limited (“Company”) and its shareholders prepared in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR”) and the Companies Act, 2013, as amended (the “Act”).**

We hereby report that the accompanying Statement states the possible special tax benefits available to the Company and shareholders of the Company (hereinafter referred to as “the Statement”) under the Income Tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2021 presently in force in India (together referred to as the “Direct Tax Laws”), the Goods and Service Tax laws & Customs Act, 1962 (read with rules, circulars, notifications) presently in force in India (together referred to as the “Indirect Tax Laws”).

These possible special tax benefits are dependent on the Company and/or the Company’s shareholders fulfilling the conditions prescribed under relevant Direct Tax Laws, Indirect Tax Laws and other laws. Hence, the ability of the Company or the Company’s shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company or the Company’s shareholders may or may not choose to fulfil. The Company does not have any subsidiary as on date of the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus.

The benefits discussed in the enclosed Statement are not exhaustive and only cover the possible special direct and indirect tax benefits available to the Company and the Company’s shareholders. The Statement is neither designed nor intended to be a substitute for professional tax advice and 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.

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

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

The contents of this Statement are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

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

We hereby give consent to include this Statement in the Draft Red Herring Prospectus and the Red Herring Prospectus and the Prospectus in connection with the proposed Initial Public Offering by the Company.

Yours faithfully,  
For V S S B & Associates,  
Chartered Accountants  
FRN.:121356W

Vishves A Shah  
Partner  
Membership No.: 109944  
UDIN: 24109944BKACVP2411

Place: Ahmedabad  
Date: 20/08/2024

**STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND COMPANY'S SHAREHOLDERS**

Outlined below are the possible special tax benefits available to Accretion Pharmaceuticals Limited ("Company") and to its Shareholders under the Direct and Indirect Tax Laws in force in India.

**A. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY**

1. Direct Tax

There are no special direct tax benefits available to the Company.

2. Indirect Tax

There are no special indirect tax benefits available to the Company.

**B. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE COMPANY**

1. Direct Tax

There are no special direct tax benefits available to the Shareholders of the Company.

2. Indirect Tax

There are no special indirect tax benefits available to the Shareholders of the Company.

## SECTION VIII: ABOUT US

### INDUSTRY OVERVIEW

*The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither, we the Lead Manager or any of our or their respective affiliates or advisors nor any other people connected with Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect.*

*Before deciding to invest in the Equity Shares, prospective investors should read this entire Red Herring Prospectus, including the information in the sections "Risk Factors" and "Financial Statements" beginning on pages 34 and 229, respectively. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section 'Risk Factors' beginning on page 34. Accordingly, investment decisions should not be based on such information.*

#### **Global Outlook**

The global economy is stabilizing, following several years of negative shocks. Global growth is projected to hold steady at 2.6 percent this year, despite flaring geopolitical tensions and high interest rates, before edging up to 2.7 percent in 2025-26 alongside modest expansions of trade and investment. Global inflation is expected to moderate at a slower clip than previously assumed, averaging 3.5 percent this year. Central banks in both advanced economies and emerging market and developing economies (EMDEs) are likely to remain cautious in easing policy. As such, markedly higher interest rates than prior to the pandemic are set to sustain for an extended period. Despite some improvement, the outlook remains subdued. Global growth over the forecast horizon is expected to be nearly half a percentage point below its 2010-19 average, with a slower pace of expansion in economies comprising over 80 percent of the global population. EMDE growth is projected to moderate from 4.2 percent in 2023 to 4 percent in 2024. Amid heightened conflict and violence, prospects remain especially lackluster in many vulnerable economies—over half of fragile and conflict-affected economies will still be poorer in 2024 than on the eve of the pandemic. Risks have become more balanced but remain tilted to the downside. Escalating geopolitical tensions could lead to volatile commodity prices. In a context of elevated trade policy uncertainty, further trade fragmentation risks additional disruptions to trade networks. More persistent inflation could lead to higher-for-longer interest rates. Other risks include weaker-than-anticipated activity in key economies and disasters related to climate change. Against this backdrop, policy makers face daunting challenges. Global efforts are needed to safeguard trade, support green and digital transitions, deliver debt relief, and improve food security. Still-pronounced inflation risks underscore the need for EMDE monetary policies to remain focused on price stability. High debt and elevated debt-servicing costs will require EMDE policy makers to balance sizable investment needs with fiscal sustainability. To meet development goals, policies are needed to raise productivity growth, improve the efficiency of public investment, build human capital, and close gender gaps in the labor market.

## Global prospects

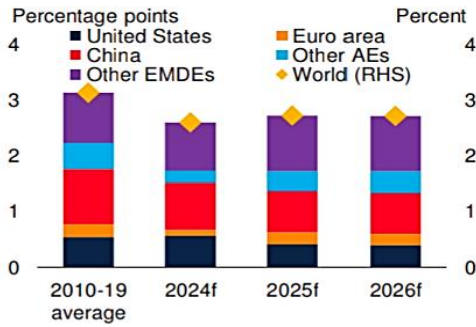
The global economy remains in a precarious state amid the protracted effects of the overlapping negative shocks of the pandemic, the Russian Federation's invasion of Ukraine, and the sharp tightening of monetary policy to contain high inflation. The resilience that global economic activity exhibited earlier this year is expected to fade. Growth in several major economies was stronger than envisaged at the beginning of the year, with faster-than-expected economic reopening in China and resilient consumption in the United States. Nonetheless, for 2023 as a whole, global activity is projected to slow, with a pronounced deceleration in advanced economies and a sizable pickup in China. Inflation pressures persist, and the drag on growth from the ongoing monetary tightening to restore price stability is expected to peak in 2023 in many major economies. Recent banking sector stress will further tighten credit conditions. This will result in a substantial growth deceleration in the second half of this year. This slowdown will compound a period of already-subdued growth—over the first half of the 2020s (2020-2024), growth in EMDEs is expected to average just 3.4 percent, one of the weakest half-decades of the past 30 years. This slowdown reflects both cyclical dynamics and the current trend of declining global potential output growth.

Global financial conditions have tightened as a result of policy rate hikes and, to a lesser extent, recent bouts of financial instability. Many banks experienced substantial unrealized losses due to the sharp rise in policy interest rates. Concerns about the viability of balance sheets of some banks led to depositor flight and market volatility in the United States and Europe earlier in the year, which were stemmed by a swift and extensive policy response. Financial markets remain highly sensitive to evolving expectations about the future path of interest rates of major central banks. Spillovers from banking turmoil in advanced economies to EMDEs have so far been limited. However, countries with more pronounced macroeconomic policy vulnerabilities, as reflected by lower credit ratings, have experienced slower growth and greater financial stress, including large currency depreciations and a sharp widening of sovereign spreads. Projections for 2023 growth in these economies have fallen by more than half over the past year.

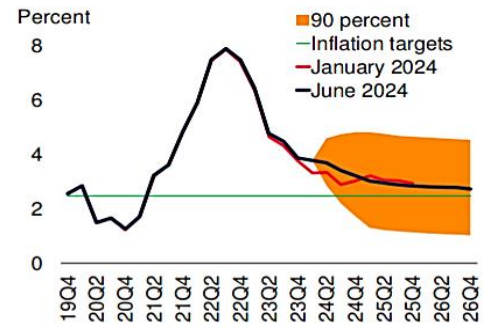
Inflation pressures persist. Although global headline inflation has been decelerating as a result of base effects, abating supply chain pressures, and falling commodity prices, core inflation in many countries remains elevated, and inflation is above target in almost all inflation-targeting economies. Inflation is expected to continue to be above its pre-pandemic level beyond 2024. That said, inflation expectations in most inflation targeting countries have so far not undergone a major shift and appear to remain anchored.

The global economy is stabilizing but the outlook remains subdued—both advanced economies and EMDEs are projected to grow at a slower pace over 2024-26 than in the pre-pandemic decade. Recent upward pressures on global core inflation are anticipated to gradually ease, such that headline inflation converges to levels broadly consistent with central bank targets by 2026. Market expectations for the path of U.S. policy rates have been repeatedly revised higher. Amid elevated borrowing costs, about two-fifths of EMDEs are acutely vulnerable to debt stress. In 2024-25, growth is expected to underperform its 2010-19 average in countries comprising more than 80 percent of global output and population. The multiple shocks of recent years have impeded per capita income catch-up, with almost half of EMDEs losing ground relative to advanced economies over 2020-24.

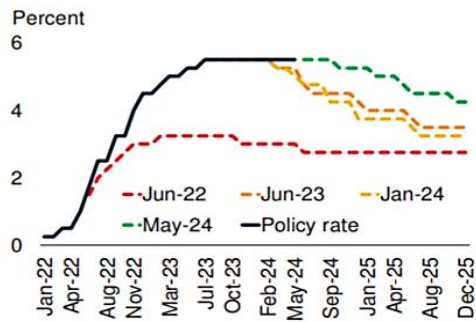
### A. Contributions to global growth



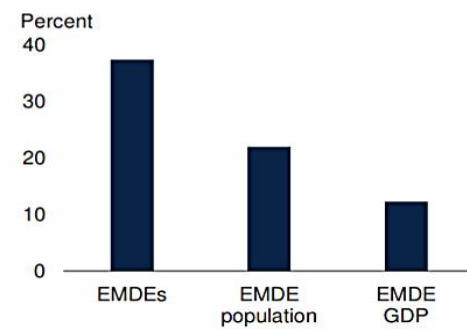
### B. Global consumer price inflation



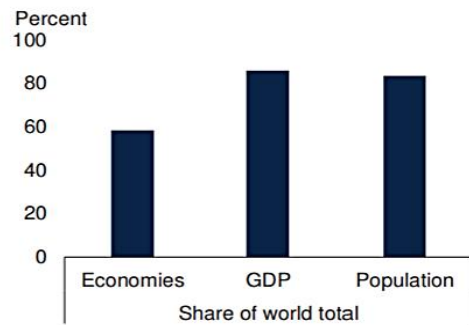
### C. Market expectations of U.S. policy rates



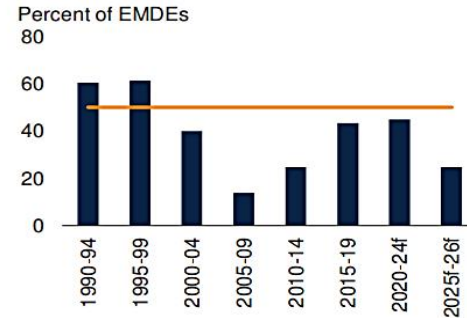
### D. Share of EMDEs vulnerable to debt-related stress



### E. Lower average GDP growth in 2024-25 compared to 2010-19



### F. Share of EMDEs with GDP per capita growth lower than in advanced economies



Sources: Bloomberg; Consensus Economics; Fitch Ratings; International Monetary Fund; Moody's Analytics; Oxford Economics; S&P 500 Index; UN World Population Prospects; World Bank.

Note: f = forecast; AEs = advanced economies; EMDEs = emerging market and developing economies. GDP aggregates are calculated using real U.S. dollar GDP weights at average 2010-19 prices and market exchange rates.

B. Model-based GDP-weighted projections of consumer price inflation using Oxford Economics' Global Economic Model. Sample includes 65 economies, including 31 EMDEs, and excludes Argentina and República Bolivariana de Venezuela. Confidence bands are derived from Consensus Economics forecast errors using the pre-pandemic sample. Horizontal line shows the average of most recent country-specific inflation targets, where available, or the 2015-19 average.

C. Solid blue line is the upper bound of the target range for the U.S. federal funds rate. Dotted lines are vintages of market-based policy rate expectations, derived from derivatives markets.

D. Sample includes those with weak credit ratings and those judged by the International Monetary Fund and the World Bank to be in or at high risk of debt distress.

E. "Economies" refers to the share of countries, "GDP" refers to the share of world GDP, and "population" is the share of the world population.

F. Horizontal line indicates the 50 percent threshold.

(Source: <https://www.worldbank.org/en/publication/global-economic-prospects>)

## INDIAN ECONOMIC OVERVIEW

## **Introduction**

The Indian Pharmaceuticals industry plays a prominent role in the global pharmaceuticals industry. Major segments of Indian Pharmaceutical Industry include generic drugs, OTC medicines, bulk drugs, vaccines, contract research & manufacturing, biosimilars and biologics. India is a global leader in the supply of DPT, BCG, and Measles vaccines.

India is one of the biggest suppliers of low-cost vaccines in the world. India accounts for 60% of global vaccine production, contributing up to 70% of the WHO demand for Diphtheria, Tetanus and Pertussis (DPT) and Bacillus Calmette–Guérin (BCG) vaccines, and 90% of the WHO demand for the measles vaccine.

The nation is the largest provider of generic medicines globally, occupying a 20% share in global supply by volume, and is the leading vaccine manufacturer globally. India also has the highest number of US-FDA compliant Pharma plants outside of USA and is home to more than 3,000 pharma companies with a strong network of over 10,500 manufacturing facilities as well as a highly skilled resource pool.

There are 500 API manufacturers contributing about 8% in the global API Industry. India is the largest supplier of generic medicines. It manufactures about 60,000 different generic brands across 60 therapeutic categories and accounts for 20% of the global supply of generics. Access to affordable HIV treatment from India is one of the greatest success stories in medicine. Because of the low price and high quality, Indian medicines are preferred worldwide, making it “pharmacy of the world”.

100% Foreign Direct Investment (FDI) in the pharmaceutical sector is allowed under the automatic route for greenfield pharmaceuticals.

100% FDI in the pharmaceutical sector is allowed in brownfield pharmaceuticals; wherein 74% is allowed under the automatic route and thereafter through the government approval route.

## **INDUSTRY SCENARIO**

The pharmaceutical industry in India is expected to reach \$65 Bn by 2024 and to \$130 Bn by 2030.

The pharmaceutical industry in India is currently valued at \$50 Bn.

India is a major exporter of Pharmaceuticals, with over 200+ countries served by Indian pharma exports. India supplies over 50% of Africa’s requirement for generics, ~40% of generic demand in the US and ~25% of all medicine in the UK.

India also accounts for ~60% of global vaccine demand, and is a leading supplier of DPT, BCG and Measles vaccines. 70% of WHO’s vaccines (as per the essential Immunization schedule) are sourced from India.

## **GROWTH DRIVERS**

### **Government Support:**

The support under PLI schemes is expected to promote the production of high-value products in the country and increase the value addition in exports as well as generate employment for both skilled and unskilled personnel, estimated at 20,000 direct and 80,000 indirect jobs as a result of growth in the sector. Three bulk drug parks, located in Gujarat, Himachal Pradesh, and Andhra Pradesh should provide a consistent supply of bulk drug active components and will ensure India's drug security.

### **Medical tourism:**

Quality services at marginal costs compared to US, Europe, and South Asia.



**Infrastructure development:**

India has the highest number of US-FDA compliant plants outside the US.

**Strong drug manufacturing:**

Expertise in low cost generic patented drugs as well as end-to-end manufacturing.

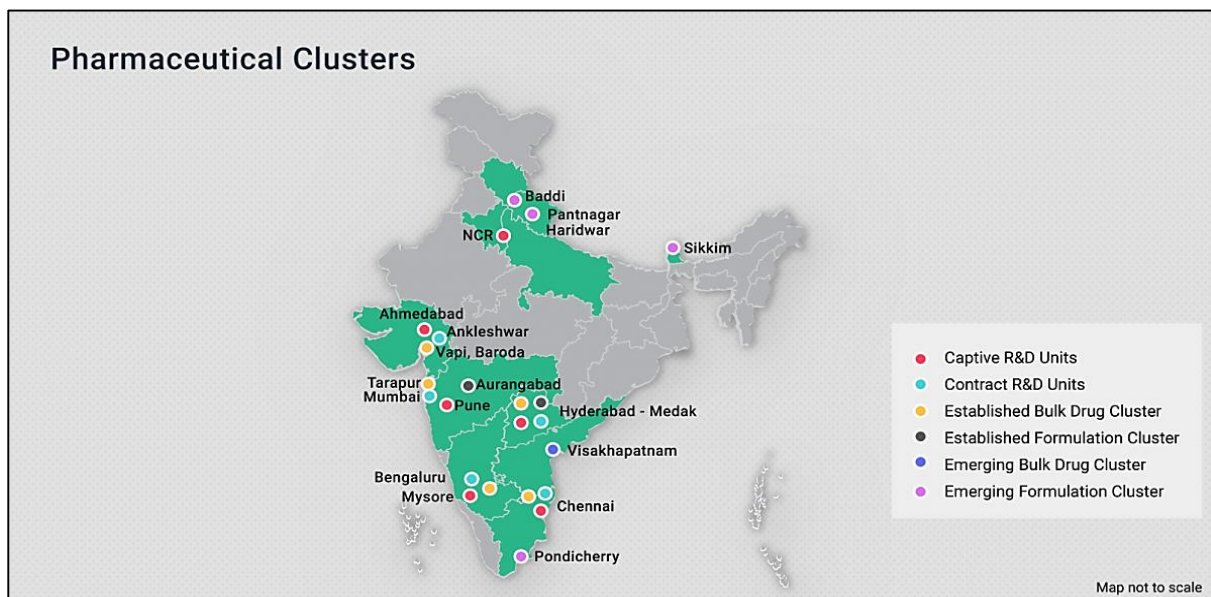
**Strong domestic demand:**

Launch of the largest National Health Protection Scheme globally.

**Production Linked Incentive (PLI) Scheme:**

The Indian pharmaceuticals market is supported by the following Production Linked Incentive Schemes to boost domestic manufacturing capacity, including high-value products across the global supply chain.

1. **PLI Scheme for Key Starting Materials (KSMs)/Drug Intermediates (DIs) and Active Pharmaceutical Ingredients (APIs) (PLI 1.0)** - Under the PLI scheme for Bulk Drugs, the objective is to boost domestic production of 41 select critical bulk drugs in the country. 51 projects have been selected for the 34 notified bulk drugs. Out of this, 22 projects have been commissioned till 31st Jan 2023. Investments of INR 2019 Cr have been reported while employing 1900 persons in the same period.
2. **Production-Linked Incentive (PLI) Scheme for Pharmaceuticals (PLI 2.0)** - Under the PLI scheme for Pharmaceuticals, 55 applicants have been selected, including 20 Micro, Small & Medium Enterprises (MSMEs). As of 31st Jan 2023, sales of about INR 36,000 Cr have been reported by the select applicants. The scheme has garnered an investment of INR 16,199 Cr by these applicants in the first year of implementation while employing 23,000 persons in the same period.



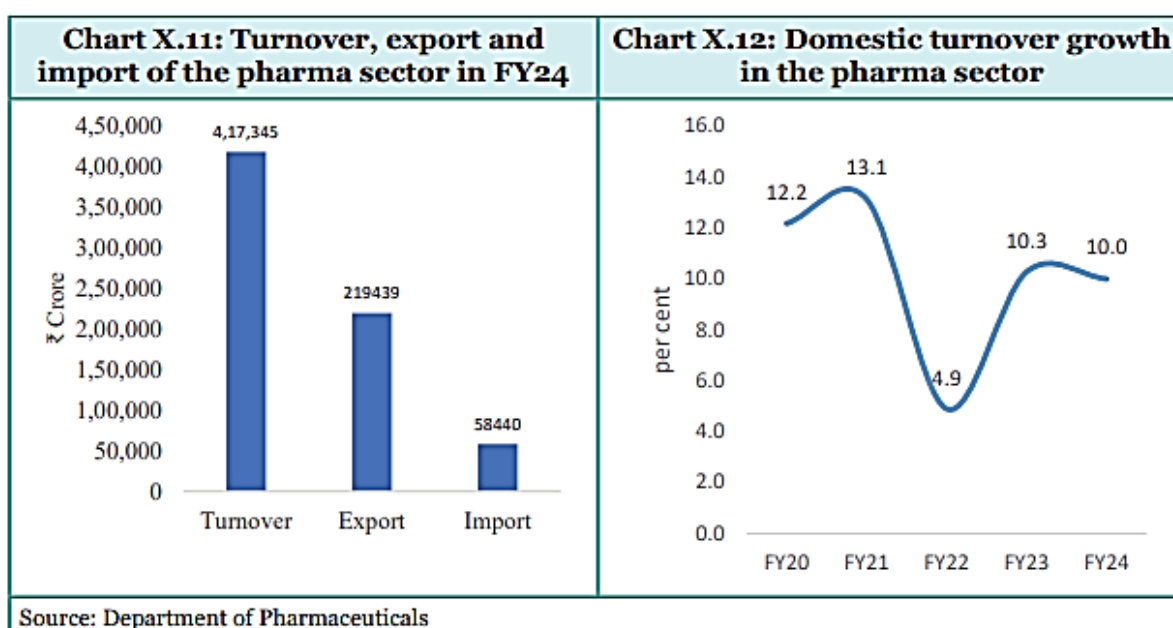
(Source: <https://www.investindia.gov.in/sector/pharmaceuticals>)

**Pharmaceuticals: Growing and Global Presence**

India’s pharmaceutical market currently valued at USD 50 Billion is the world's third largest by volume. With a diversified product base covering generic drugs, active pharmaceutical ingredients, bulk drugs,

over-the-counter drugs, vaccines, biologics and biosimilars, the Indian pharmaceutical industry has a strong presence at the global level. “Pharmacy of the world” as it is often called offers around 60,000 generic brands across 60 therapeutic categories, accounting for 20 per cent of global generic drug exports by volume. Not surprisingly, eight of the top 20 global generic companies are based in India.

India’s pharmaceutical sector boasts high rates of quality compliance, with 70311 US FDA approved facilities (as of April 2023), 38612 European GMP-compliant plants (as of November 2022) and 241813 WHO-GMP-approved plants. To further bolster the regulatory framework, in December 2023, revised pharma manufacturing rules were notified under Schedule-M relating to Good Manufacturing Practices, a mandatory requirement that safeguards quality and brings the existing regime in line with global standards.



India’s pharmaceutical industry has traditionally been dependent on API imports from one country. The PLI schemes for bulk drugs and pharmaceuticals have helped stabilize the import of bulk drugs and improved our supply chain resilience. Under the scheme, fermentation based manufacturing capabilities got strengthened through production of antibiotics such as Penicillin G and Clavulanic Acid. The CAGR of import of bulk drugs between FY22 and FY24 was 2.3 per cent, as compared to the CAGR of 5.9 per cent in their export. India has become a net exporter of bulk drugs. During FY24, the value of export and import of bulk drugs was ₹39,632 Crore and ₹37,722 Crore respectively.

### **Recent Initiatives, Challenges and Outlook of the Pharma Sector**

#### **Aatmanirbharta Pursuit:**

- Aims to boost domestic manufacturing of identified KSMs, DIs and APIs by attracting large investments and reducing import dependence on critical APIs.
- Under the PLI scheme for bulk drugs, 48 projects have been approved with a committed investment of ₹3938.6 Crore.
- The Scheme for the Promotion of Bulk Drug Parks provides support to establish three bulk drug parks for the creation of world-class Common Infrastructure Facilities. This will bring down the manufacturing cost of bulk drugs and improve India’s competitiveness and drug security.

#### **Pradhan Mantri Bhartiya Janaushadhi Pariyojana**

- The aim is to make quality generic medicines available at affordable prices to all.
- Pradhan Mantri Bhartiya Janaushadhi Kendras (PMBJKs) are open to provide generic medicines. Till now, more than 12500 PMBJKs have been opened, covering all districts.
- It has made an impact on the common masses and the poor by providing quality medicines at affordable prices.
- In FY23-24, Pharmaceuticals & Medical Devices Bureau of India sold Jan Aushadhi medicines worth ₹1470 Crore, leading to savings of approximately ₹7350 Crore.
- The Scheme is particularly delivering greater savings on medicines for chronic diseases. On average, 10– 12 Lakh people visit Jan Aushadhi Kendras daily.

#### **Challenges and outlook:**

- India is largely dependent on imports for many antibiotic APIs manufactured through fermentation. India’s import dependency is largely due to a lack of cost-effective options in domestic API manufacturing compared to imports. Domestic infrastructure and R&D capabilities have improved considerably in recent years, but challenges remain.
- Export growth occurred due to consistent innovation in the last 5-6 decades. The export growth can be sustained by increasing the capabilities in biopharmaceuticals manufacturing.
- Pharma industry is expected to reach US\$ 130 billion by 2030.
- The next leg of growth in pharma necessitates skill advancement, the use of innovation and technology, and the establishment of a strong supply chain.

#### **Need to Enhance and Reimagine Pharma R&D**

The pharmaceutical industry worldwide can be divided into an innovator or a generic producer. As the name suggests, ‘innovator’ firms carry out extensive research to bring new medicines or treatments for diseases to the world. Considering the extent of time and resources as also the risk involved in the process, the prices of such medicines are usually very high. Such firms thrive on monopolies created through intellectual property rights owned by them for these new medicines. In recent years, big innovator pharma companies have made a strategic move to invest in smaller, more agile research-oriented firms. Between 2021 and 2023, the investment amounted to USD 54 billion in small bio-tech firms.<sup>16</sup> India’s strength in the pharmaceutical sector lies in being a cost effective and efficient producer of existing off patented drugs- also called the generic industry. Even so research and development is key to producing the same medicines once they get off patent at a fraction of the cost of the original drug. They thrive on competition. The world needs both the innovators and those that can provide drugs at a reasonable price, with the latter playing a vital role in enhancing social benefits. Hence, the strength of the industry lies in having a diverse combination of innovators and generic producers. As we move towards realising the vision of Viksit Bharat, it is vital to promote innovation. The R&D expenditure in the drugs and pharmaceutical sector in India averaged around 5 per cent of the sales turnover in FY20 and FY21<sup>17</sup>. The development of new drugs aimed at addressing unaddressed health concerns will improve the breadth and quality of healthcare access for the population, while producing better returns on investments.

The report “Indian pharmaceutical sectorial system of innovation underscores the need for:

- i) Fostering joint research amongst industry actors with the aim of making the sector more strategically collaborative rather than competitive.
- ii) Bolstering industry-academic interactions for applied research, in particular better participation of public knowledge-based institutions.

- iii) Reducing the rigidity of communication between knowledge-based institutions in order to foster better knowledge exchange and collaboration in the areas of research, particularly with the inclusion of Tier 2 and Tier 3 institutions.
- iv) Supporting secondments and placements between knowledge-based institutions and industry in order to better orient human capital development.
- v) Strengthening communication channels amongst the knowledge-based institutions and intermediaries, particularly industry associations.
- vi) Increasing the channels of funding from venture capital and angel investors to support the process of ideation to market.
- vii) Better knowledge sharing amongst government bodies to promote an 'all of government approach' to innovation thus translating into more coordinated joint research in strategic areas.

The government has taken several measures to create and nurture an ecosystem that promotes innovation. This is reflected in the setting up of centres for excellence to promote collaborative research in the pharmaceutical sector, and in artificial intelligence including for the health sector. The recently introduced Promotion of Research and Innovation in Pharma MedTech Sector is expected to herald a transformation in the pharmaceutical sector towards innovation.

(Source: Economic Survey 2023-24 and Department of Pharmaceuticals)

## BUSINESS OVERVIEW

*This Chapter should be read in conjunction with and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the sections titled 'Risk Factors' and 'Financial Information' and the chapter titled 'Management Discussion and Analysis of Financial Condition and Results of Operations' beginning on pages 34, 229 and 232, respectively, of this Draft Red Herring Prospectus.*

*Unless the context otherwise requires, in relation to business operations, in this Chapter of this Draft Red Herring Prospectus, all references to "we", "us", "our" and "our Company" are to Accretion Pharmaceuticals Limited.*

### OVERVIEW

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 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.

The Corporate Identification Number of our company is U21004GJ2023PLC146545.

Presently our Company is engaged in the business of manufacturing and marketing of Tablets, Capsules, Oral Liquid, External Preparations (Ointment, Cream, Gel, Lotion, Medicated Shampoo, Mouthwash, Dusting Powder), And Oral Powder (Sachet, Dry Syrup) etc.

Apart from manufacturing products for direct sales, our Company also manufactures various pharmaceutical products for different marketers on loan license or contract manufacturing basis. Our business is majorly carried out on principle-to-principle basis with different marketers. As on the date of this Draft Red Herring Prospectus, we cater to multiple corporate clients on loan licence and/or contract manufacturing basis.

Our Company is ISO 9001:2015, ISO 14001:2015 and ISO 22000:2018 certified and is led by a experienced board of directors, and a professional and experienced management team with extensive experience in the pharmaceutical.

### I. DETAILS OF THE BUSINESS OF THE ISSUER

#### A. Primary business of the Issuer:

Our company is engaged in the business of manufacturing 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 29 Xcelon Ind Park 1, B/h, Intas Pharmaceuticals, Vasna Chacharvadi, Ahmedabad, Sanand, Gujarat 382213.

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%
<b>Total Revenue from Operations</b>	<b>1187.10</b>	<b>100.00%</b>	<b>3366.43</b>	<b>100.00%</b>	<b>2938.43</b>	<b>100.00%</b>	<b>2229.20</b>	<b>100.00%</b>

(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 <sup>th</sup> 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%

<b>Grand Total</b>	<b>1165.28</b>	<b>100.00%</b>	<b>3117.09</b>	<b>100.00%</b>	<b>2933.26</b>	<b>100.00%</b>	<b>2229.20</b>	<b>100.00%</b>
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*(extracts from the certificate dated August 20, 2024 issued by M/s V S S B & Associates, Chartered Accountants, Statutory Auditors of our Company)*

## **OUR LOCATION**

The Company operates from its registered office cum manufacturing unit located at 29 Xcelon Ind Park 1, B/h, Intas Pharmaceuticals, Vasna Chacharvadi, Ahmedabad, Sanand, Gujarat 382213.

## **Photographs of our manufacturing unit**



**Our Manufacturing Facility**



**Granulation**



**Liquid Filing and Sealing**



**Micro Lab**





**QC Lab**



**QC Lab HPLC**



**Tableting Machine**

**B. Plant, machinery, technology, process, etc.:**

Our manufacturing facilities are equipped with advanced equipment and machineries. The following tables set forth mentioned below are the list of machineries installed at our Manufacturing Unit located in Ahmedabad, Sanand, Gujarat as on date of Draft Red Herring Prospectus:

<b>1 RAW MATERIAL &amp; PACKING MATERIAL STORE</b>		
<b>Sr. No</b>	<b>Name of Equipment</b>	<b>Make</b>
1	Vacuum Cleaner	
<b>Raw Material Sampling and Dispensing Area</b>		
1	Electronic Balance	Weitech
2	Electronic Balance	Power scale
3	Electronic Balance	Weitech

4	Electronic Balance	Power scale
5	Electronic Balance	Weitech
6	Analytical Balance	Scale-tec
<b>P.P.M Store</b>		
1	Electronic Balance	Arjun
2	Electronic Balance	Weitech
<b>FG. Store</b>		
1	Electronic Balance	Arjun
<b>Sr. No</b>	<b>Name of Equipment</b>	<b>Make</b>
1	Electronic Balance	Power Scale
2	Vibro Sifter (30")	sunmach
3	Multi Mill (GMP Model)	sunmach
4	Mass Mixer	sunmach
5	Fluid bed dryer	sunmach
6	FBD Trolley	sunmach
7	FBD Trolley	sunmach
8	Paste Preparation vessel	sunmach
9	Octagonal blender	sunmach
10	Shifter Sieve	sunmach
11	Multi-Mill Mash	sunmach
<b>Granulation-2</b>		
12	Electronic Balance	Power Scale
13	Vibro Sifter	Gleam
14	Multi Mill (GMP Model)	Gleam
15	Rapid Mixer Granulator (RMG-250 LIT)	Gleam
16	Fluid bed dryer	Gleam
17	FBD Trolley	Gleam
18	FBD Trolley	Gleam
19	Paste Preparation vessel	Gleam
20	Octagonal blender	Gleam
20-a	Electronic balance (blender)	Power scale
21	Shifter Sieve	Gleam
22	Multi-Mill Mash	Gleam
<b>COMPRESSION AREA</b>		
23	Compression M/C 27 station ( old)	sunmach
24	Analytical Balance	Scale-tec
25	Compression M/C 37 station	Fluid Pack
26	Analytical Balance	Scale-tec
27	Compression M/C 20 station	Fluid Pack
28	Analytical Balance	Scale-tec
29	Compression M/C 27 station	Fluid Pack
30	Analytical Balance	Power Scale
31	Electronic Balance	Laxmi Instrument
	(tablet quarantine area)	
32	De-Duster machine( Vibro-GMP Model)	sunmach
33	De-Duster machine( Vibro-GMP Model)	sunmach

34	Dust extractor machine( 300 CFM-GMP model)	sunmach
35	Coating Pan 36"	sunmach
36	Solution Preparation vessel with stirrer	sunmach
37	Peristaltic Pump-ENALTECH	ENALTECH
		(enertech)(written over machine)
38	Solution Preparation vessel with stirrer	Shree ratnashiv pharma
39	Coating Pan 60"	Shree ratnashiv pharma
40	Peristaltic Pump- ELECTROLAB	ELECTROLAB
41	Metal Detector	Samarika
42	Electronic balance	Power Scale
<b>PACKING DEPARTMENT</b>		
1	Alu-Alu-150 Packing Machine	Edwin Pharma machineries
2	Conveyor belt 8 ft Alu-150	Sunmach
3	Alu-Alu-300 Packing Machine	Edwin Pharma machineries
4	Conveyor Belt 8ft- Alu-300	Sunmach
5	Blister-1000 Packing Machine	Elmach
		(elmacpack)
6	Conveyor Belt 8ft- Blister-1000	Sunmach
7	Strip Packing Machine	Samarika
8	Conveyor Belt 8 ft- Strip	Customised
9	Leak Test Apparatus for Blister	Sarthak
10	Blister-240 Packing Machine	helios concrew
11	Conveyor Belt 8ft- Blister-240	Bahuchar Sales
12	Carton Label Coding Machine	Bahuchar Sales
13	Automatic carton label coding machine	Bahuchar sales
15	Strip Packing Machine	Satellite
16	Conveyor Belt 8 ft- Strip	
17	Automatic Self Adhesive Two sides Flat Labelling Machine	NPM
18	Leak test Apparatus	
<b>CAPSULE DEPARTMENT</b>		
<b>Sr. No</b>	<b>Name of Equipment</b>	<b>Make</b>
1	Electronic Balance	Arjun
2	Analytical Balance	Scale-tec
3	Double cone blender	Sunmach
4	Automatic Capsule Filling & Sealing	Captech system
<b>EXTERNAL PREPARATION DEPARTMENT</b>		
1	Ointment Mfg. Vessel	YOGA
2	Ointment Wax Phase Vessel	YOGA

3	Ointment Water Phase Vessel	YOGA
4	Ointment Storage Vessel	YOGA
5	Ointment SS Piping	YOGA
6	Ointment Transfer Pump (Lobe Pump)	YOGA
7	Ointment Transfer Pump (Metring Pump)	YOGA
8	Control Panel For Ointment Mfg.	YOGA
9	Vacuum Pump For Ointment	YOGA
10	Ointment Automatic Filling & Sealing (Linear-60)	BHAVANI
11	Electronic Balance	Power Scale
12	Electronic Balance	Power Scale
13	Conveyor Belt	Samarika
14	Analytical balance	Power scale
15	External Preparation Manufacturing Tank	Yoga
16	External Preparation Storage Tank	Yoga
17	External Preparation two head filling and sealing Machine	Yoga
	<b>ORAL LIQUID DEPARTMENT</b>	
1	Electronic Balance	Power Scale
2	Electronic Balance	Power Scale
3	SS Tank-1 ( Non-Jacketed) -500 Lit (MFG)	Samarika
4	SS Tank-2 ( Non-Jacketed) -500 Lit (STORAGE)	Samarika
5	SS Homogenizer	Samarika
7	Colloidal mill	Samarika
8	Filter press- 14"X12 PLATES	YOGA
	Filter press- 7"x7 PLATES	
9	Transfer Pump	YOGA
10	SS Tank-5 ( Non-Jacketed) -1200 Lit (MFG) with stirrer	YOGA
11	SS Tank-6 ( Non-Jacketed) -1200 Lit (STORAGE)	YOGA
12	SS Homogenizer ( BIG) FOR 1200 LIT	YOGA
13	Sugar Syrup Making Vessel	YOGA
14	Sugar Syrup jacketed Vessel	YOGA
15	SS Tank-7 (Non-Jacketed) 2000 liter (MFG) with stirrer	YOGA
16	SS Tank-8 (Non-Jacketed) 2000 liter (Storage) with stirrer	YOGA
17	S.S Tank-4 Storage Vessel (1200 LTR) Non-Jacketed	YOGA
18	Labelling machine	NPM
19	Measuring capping machine	AGC
20	Bottle Washing machine	Yoga
21	S.S Tank-3 Liquid Filling tank- 300 Liter	Yoga
22	Liquid Inspection Belt with Black & White background	Samarika
23	Sticker labeling machine	NPM
24	Six head filling machine	NPM
25	Six head cap sealing machine	NPM
26	Filter Sieve 60#	NA
	<b>ORAL POWDER DEPARTMENT</b>	
1	Vibro sifter	Sunmach
2	Octagonal blender (300 liter)	Sunmach

3	Pouch Filling and Sealing Machine	Samarika
4	Analytical Balance	Power Scale
5	Dehumidifier	Samarika
6	Labelling machine	NPM
7	Sticker labeling machine	NPM
8	Octagonal blender (1200 liter)	Gleam
9	Automatic powder Filling machine	NPM
10	Analytical balance	Scale-tec
<b>QC DEPARTMENT</b>		
1	Double beam UV -Visible spectrophotometer (UV)	Shimadzu Corporation
2	High performance liquid chromatography (HPLC)	Shimadzu LC -2010 Corporation
3	Disintegration Test Machine (DT)	Electroquip
4	Dissolution Test Apparatus	Universal
5	Friability Test Apparatus	Electroquip
6	Kar-Fischer titrater	Veego Instrument corporation.
7	pH Meter	Digital Instrument Corporation
8	PH Meter	Systronics
9	Conductivity Meter	Systronics
10	Balance Electronic Digital 220 gm (Micro Balance)	Mettler Tolder
11	Weigh Box ( 1 mg - 200 gm )	Electroquip
12	Distillation Plant for HPLC Water	Pure hit still
13	Stop Watch	Racer
14	Polarimeter	Rico Scientific industries
15	Refractometer	Rico Scientific industries
16	TLC Kit	General
17	UV Viewing Cabinet ( Short & Long )	General
18	Centrifuge ( Rectangular with head to hold 15 ml tube	General
19	Melting rang Apparatus	Veego Instrument corporation
20	Water Bath	Electroquip
21	Magnetic Stirrer with hot Plate	Remi
22	Muffle Furnace	Sedko
23	Vacuum Oven	Electroquip
24	Oven LOD	Electroquip
25	Oven for Glass ware	Electroquip
26	Hot plate	Electroquip
27	Vacuum Pump	_____
28	Sonicator size 5 liter	Electroquip
29	Vortex mixer	Remi
30	Hardness Test	Electroquip
31	Vernier Caliper – Digital	Mitutoyo
32	Refrigerator	Remi Instrument
33	Desiccator Vacuum	Electroquip
34	Fuming Chamber	Electroquip

35	Digital micrometer	Mitutoyo
36	Thermometer 360°	Zeal
37	Thermometer 250°	Zeal
38	Thermometer 110°	Zeal
39	Thermometer 110°	Zeal
40	Thermometer 50°	Zeal
41	Thermometer 50°	Zeal
42	Thermometer 50°	Zeal
43	Thermometer 50°	Zeal
44	High performance liquid chromatography (HPLC)	Shimadzu LC -2010 Corporation
<b>MICROBIOLOGY DEPARTMENT</b>		
<b>Sr. No</b>	<b>Name of Equipment</b>	<b>Make</b>
1	Laminar Air Flow	Lab Scientific
2	Zone Reader	Cintex
3	Digital colony counter	DBK Instrument
4	Microscope	Quasmo
5	Autoclave	Sedko
6	Autoclave	Patel Scientific
7	BOD Incubator 22.5°C±2°C (20°C to 25°C)	Sedko
8	BOD Incubator 33.5°C±2°C (30°C to 35°C)	Patel Scientific
9	BOD Incubator 43°C±1°C (42°C to 44°C)	Patel Scientific
10	Hot air Oven	Sedko
11	Refrigerator	Samsung
<b>IPQC DEPARTMENT</b>		
<b>Sr. No</b>	<b>Name of Equipment</b>	<b>Make</b>
1	Friability test apparatus (double pan)	Electroquip
2	Hardness tester Pfizer	Electroquip
3	IR Moisture Balance	Rico Scientific Industries
4	vernier caliper tester	Mitutoyo
5	Disintegration test apparatus ( single pan)	Electroquip
6	Analytical balance (600 gm)	Power scale
7	IR Moisture balance	Mettlor Toledo
8	Hardness tester	Universal

Further, we propose to utilize an amount of Rs. 213.74 Lakhs for plant and machinery, to be procured for our existing manufacturing facility, as per details mentioned 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
f.	Pouch Packaging Machine – Combo Model	1	Samarika Pharma Solutions LLP	August 02, 2024	90 days	5.40	6.37 <sup>Note a</sup>

	with Liquid filling attachment 5 ml to 15 ml						
g.	Change parts for Powder filling CT-70 Automatic Capsule Filling with Polishing Sorting Line Machine	1 Set	Captech Systems	August 06, 2024	90 days	19.42	22.92 <sup>Note b</sup>
h.	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	August 01, 2024	90 days	60.09	70.91 <sup>Note c</sup>
	Additional set of Alu/Alu change parts	2 Sets					
	Additional set of PVC/Alu change parts	1 Set					
i.	Shimadzu P – Series HPLC. LC 20 AD Pump with GE Valve & DGU 20 SIL-20 A Auto Sampler without S. Collar	1	Anachrom Sales & Service	August 07, 2024	90 days	24.36	28.86 <sup>Note d</sup>
	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					
	Cosmosil 5C-8 MS 4.6*150*5um	2					
	Kromasil 100-5	2					



	C8 250*4.6*5(L7)						
	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					
j.	Cadpro A 39 Stn B Tooling machine (along with packaging, Bi- layer attachment, Lower punch spray lubrication system, Powder level sensing devic- very low level- FFS, Turret with lower punch keyway, additional std fill cams- 8/12 mm B TI and Installation charges)	1	Cadmach Machinery Company Private Limited	August 05, 2024	90 days	71.77	84.68 <sup>Note e</sup>
	<b>Total</b>					<b>181.04</b>	<b>213.74</b>

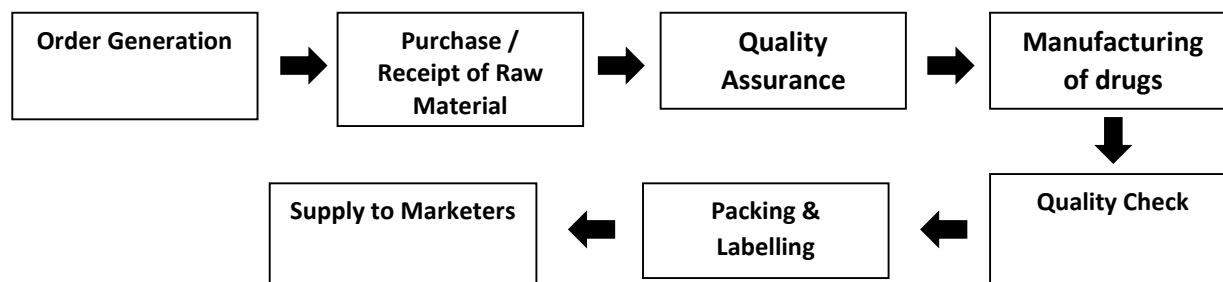
**Notes:**

- j) *The quoted price is Ex Factory Kalol Packaging. Further, Forwarding Freight Octroi & Insurance, Packaging – Forwarding & Insurance Freight, and Installation charges would be extra as per actual. as per actuals;*
- k) *Packaging, Freight and Forwarding included in the quoted price;*
- l) *The quoted price is inclusive of packaging and exclusive of freight and insurance which would be as per actuals;*
- m) *Document/Installation as per quotation*
- n) *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.*
- o) *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.*
- p) *All quotations received from the vendors mentioned above are valid as on the date of this Draft Red Herring Prospectus.*
- q) *We are not acquiring any second-hand machinery/equipment.*
- r) *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 project cost. Such cost escalation would be met out of either of surplus portion of net issue proceeds (if any) or our internal accruals.

## BUSINESS PROCESS

The Process flow of our business operations is described below:



- **Order generation**

We are in business of manufacturing of pharmaceutical products for different marketers on loan license or contract manufacturing basis. Our business is majorly on principle to principle basis with different marketers. Our sales and marketing team, led by our promoter directors, through personal visits and other marketing initiatives, generates orders/requirements from domestic as well as international pharmaceutical marketers.

- **Purchase / Receipt of Raw Materials**

Depending upon the terms of contract, we receive or purchase raw material from local suppliers. Majority of our business is derived from contract manufacturing and Loan License basis, where raw material is supplied from the approved vendors of the company.

- **Raw material Quality Assurance**

Once the Raw Material is received at Manufacturing facility, it is thoroughly inspected for requisite quality standards. Our Quality Assurance team is well equipped with necessary equipment to ensure high quality raw material.

- **Manufacturing of Pharmaceutical Products**

Our Manufacturing facility at Sanand is installed with standard machineries, required to yield desired precision and economical production of pharmaceutical products. The manufacturing facility requires further automation and least human intervention. Under this stage, the product is manufactured as per pre-decided recipes and licensed combinations.

- **Finished Product Quality check**

Under this stage, the finished product is checked for requisite quality on sample check basis. This process is carried out for each batch manufactured.

- **Packaging & Labelling**

Packaging is crucial for pharmaceutical products. We are doing manual packaging of finished products. Once packed, the primary pack is printed with necessary disclosures, such as date of manufacturing, date of expiry, batch number and MRP. The preliminary pack is then packed into bigger packs, as per the requirement of the principle.

- **Supply to Marketers**

Once packed, the finished products are stored at the storage area at the manufacturing facility.

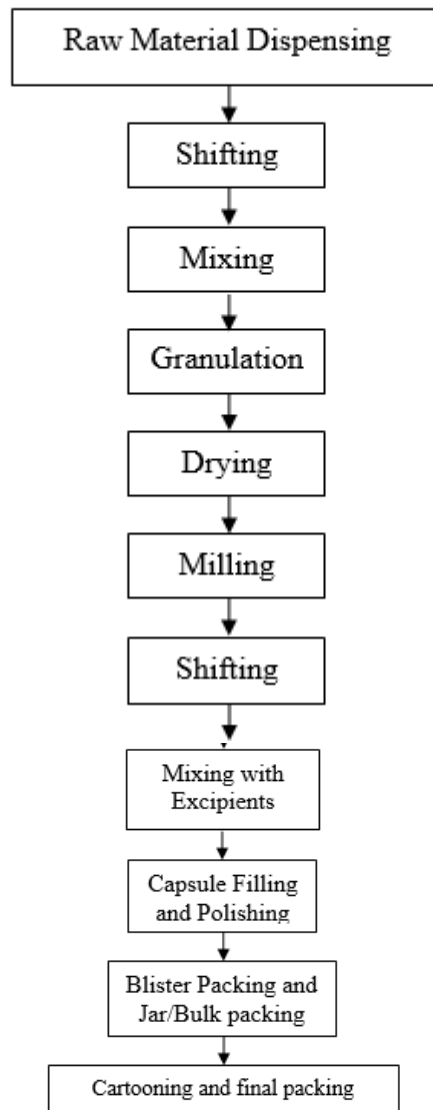
Depending upon the Principle's requirement we supply the finished product at required place. We depend upon third party transport service provider for transportation of finished products.

**OUR MANUFACTURING PROCESS**

Our machines are equipped for both individual and diversified processes, and their flexibility enables us to employ them in the most optimum manner to suit the customer's preferences. Additionally, most of our machineries with certain modifications are capable of being used interchangeably in either of our sectors, depending on the demand for such products. We have and may have dedicated production lines based on the size and frequency of the orders of our customers.

**MANUFACTURING PROCESS FLOW OF CAPSULE**

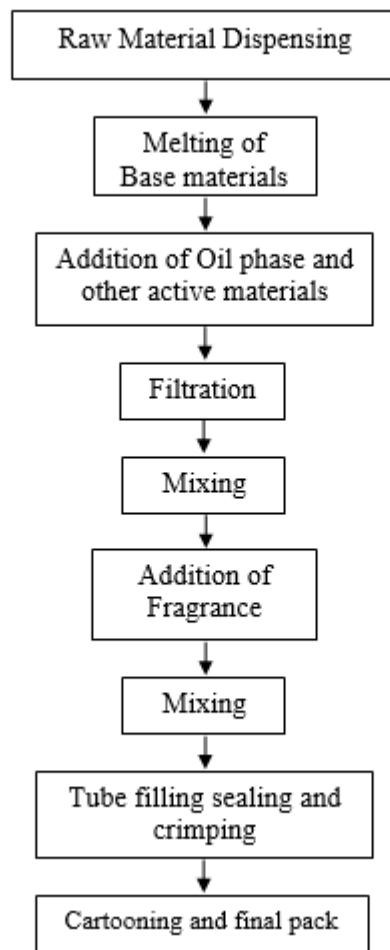
**MANUFACTURING PROCESS FLOW OF CAPSULE**



**MANUFACTURING PROCESS FLOW OF CAPSULE**

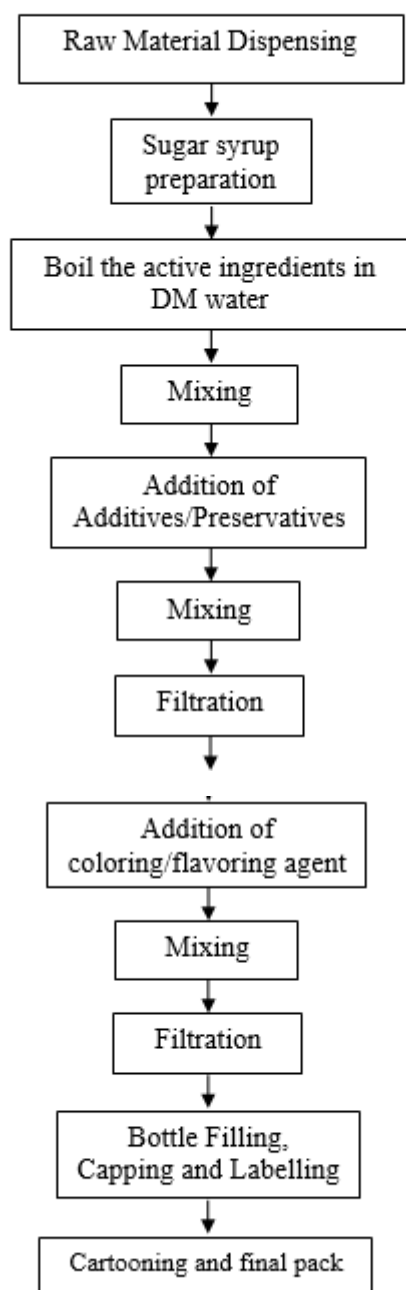
At the first stage Raw Material i.e. API is procured by our Company, which is then internally checked for quality. Once the raw material passes quality check, then only the same is brought to the production area for further processing. The manufacturing process starts with sifting and dry mixing of the raw material followed by wet granulation, drying and milling. This is then followed by sifting of the and mixing of the product with excipients. The formulation is then filled in the capsules which are then sealed and polished. A visual inspection of the final product is done prior to packaging. Quality checks are carried out at the raw material dispensing stage, drying stage, polishing stage and packing stage.

#### **MANUFACTURING PROCESS FLOW OF EXTERNAL PREPRATION/OINTMENT**



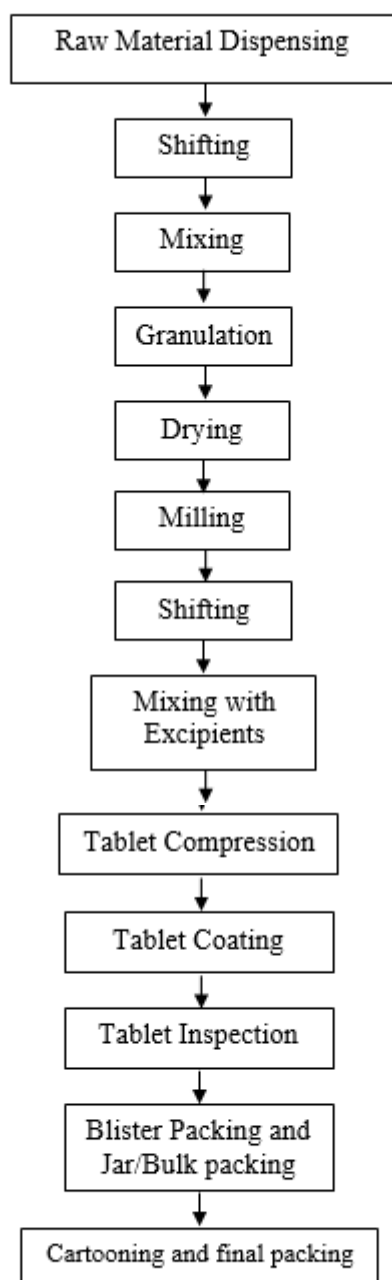
At the first stage Raw Material is procured by our Company, which is then internally checked for quality. Once the raw material passes quality check, then only the same is brought to the production area for further processing. The manufacturing process starts with melting the base material and oil and other active materials to it. The mixture is then filtered and fragrance is added to it. Once the product is prepared, it is sealed in the tubes and packed.

## MANUFACTURING PROCESS FLOW OF SYRUP



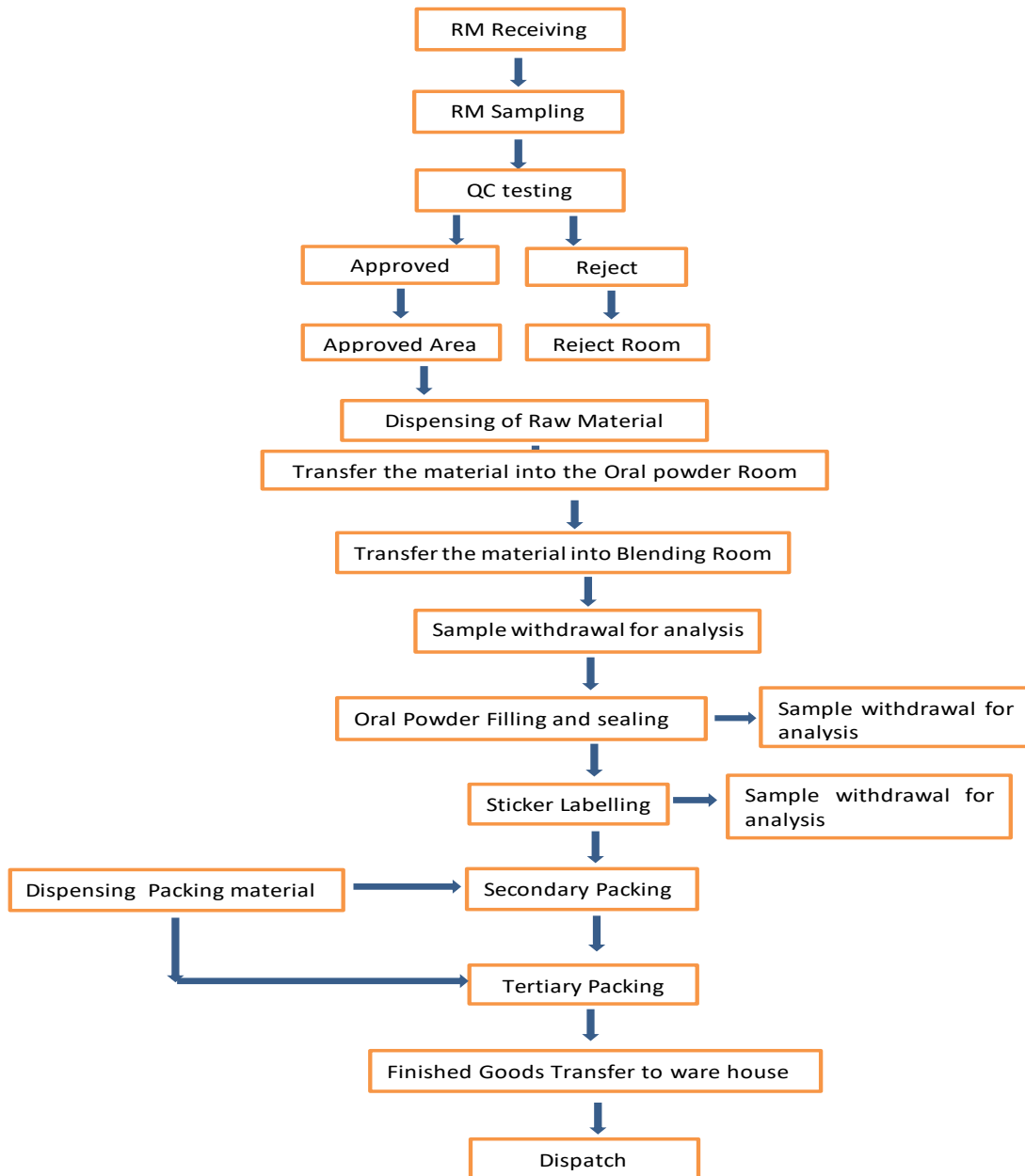
At the first stage Raw Material i.e. API is procured by our Company, which is then internally checked for quality. Once the raw material passes quality check, then only the same is brought to the production area for further processing. Following cleaning and sanitisation of the manufacturing vessel, we carry out the preparation of a sugar syrup by boiling the active ingredients in DM water. Then the syrup is mixed with additives/preservatives and is filtered before adding colour/flavouring agent. Once the colour/flavouring agent is added to the processed syrup. The solution is then packaged and sealed in bottles.

## MANUFACTURING PROCESS FLOW OF TABLET



At the first stage Raw Material i.e. API is procured by our Company, which is then internally checked for quality. Once the raw material passes quality check, then only the same is brought to the production area for further processing. The manufacturing process starts with sifting, and dry mixing of the raw material followed by wet granulation, drying and milling. This is then followed by sifting of the and mixing of the product with excipients. The formulation is then compressed into tablet form and is coated. Thereafter a visual inspection of the final product is done prior to packaging. Quality checks are carried out at the raw material dispensing stage, drying stage, coating stage and packing stage.

## MANUFACTURING PROCESS FLOW OF ORAL POWDER:



At the first stage Raw Material is procured by our Company, which is then internally checked for quality. Once the raw material passes quality check, then only the same is brought to the production area for further processing. The manufacturing process starts with blending the ingredients together. Thereafter post quality check, the formulation is sealed in individual containers and is labelled. Thereafter secondary and tertiary packing is done and the finished products are dispatched to the warehouse for onward supply/dispatch

**C. Collaborations, any performance guarantee or assistance in marketing by the collaborators:**

Nil

**D. Infrastructure facilities for raw materials and utilities like water, electricity, etc.**

**i. Infrastructure Facilities**

The premises where our Registered Office cum Manufacturing Unit is located, admeasures approx. 1565 Sq mtr. The premises from where we operate have adequate infrastructure

facilities for enabling us to carry out our business operations.

**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.

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.

**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.

**iv. Water**

Adequate arrangements with respect to water requirements for drinking purpose are made at all the registered office cum manufacturing facility of the Company. The water consumption at our manufacturing unit is normal which we can fulfill from water supply by the Changodar Industrial Users association, Sanand Industrial Area.

**E. Products of the Company:**

**Product Portfolio**

Our Company is majorly engaged in 5 major product verticals, details of which are provided hereunder:

**→ TABLET**

A tablet is a solid dosage form of medication that is typically round, oval, or square in shape. Tablets are one of the most common forms of drug delivery and are designed to be swallowed, chewed, or dissolved in water. They contain an active pharmaceutical ingredient (API), which is the substance intended to produce the desired therapeutic effect, along with various excipients. Excipients are inactive substances used to give the tablet its shape, stability, and to control the release of the API.

Company is engaged in manufacturing of following type of tablets, including:

**Immediate-release tablets:** Designed to disintegrate and release the medication quickly after ingestion.



**Enteric-coated tablets:** Have a special coating that prevents them from dissolving in the stomach, ensuring they dissolve in the intestine instead. This helps protect the stomach lining or ensures that the drug is released where it can be best absorbed.

**Sustained-release or extended-release tablets:** Formulated to release the active ingredient slowly over time, providing a longer duration of action.

**Chewable tablets:** Designed to be chewed before swallowing, often flavored to make them more palatable.

**Effervescent tablets:** Dissolve in water before being taken, often used to administer medication that is hard to swallow in solid form.

**Sublingual and buccal tablets:** Placed under the tongue or between the gum and cheek to dissolve and be absorbed directly into the bloodstream, bypassing the digestive system.

Company is engaged in following type of tablets

- i) Antibiotic, Antibacterial, Antifungal
- ii) Anti- Inflammatory
- iii) Antihistamine, Antiallergics, Antitussives, Anticold.
- iv) Antiulcer and Antacid
- v) Anti-Diabetic
- vi) Cardiac and Anti-Hypertensive
- vii) Psychotropic
- viii) Vitamins and Supplement

## ➔ ORAL LIQUID

An oral liquid refers to a liquid formulation of medication that is intended to be taken by mouth. Oral liquids are a popular dosage form for patients who have difficulty swallowing tablets or capsules, such as children, the elderly, and those with certain medical conditions. These formulations allow for flexible dosing and are often flavored to improve palatability.

Company is engaged in manufacturing in following type of Oral Liquid:

### **Solutions:**

A solution is a clear, homogeneous liquid where the active pharmaceutical ingredient (API) is completely dissolved in a solvent, usually water. Solutions provide a uniform dose of medication with each administration.

### **Suspensions:**

A suspension is a liquid in which the API is not fully dissolved but rather dispersed as fine particles. Suspensions need to be shaken well before use to ensure an even distribution of the medication.

### **Syrups:**

Syrups are concentrated, viscous solutions containing a high amount of sugar or a sugar substitute. They are often used to improve the taste of medications, making them more palatable, especially for children.

### **Drops:**

Oral drops are highly concentrated solutions or suspensions intended to be administered in small, precise volumes, usually with a dropper. They are often used for infants and small children.

**Company is engaged in manufacturing in following type of Oral Liquid.**

- i) Antibiotic, Antibacterial
- ii) Antihistamine, Antiallergics, Antitussives, Anticold.
- iii) Antiulcer and Antacid
- iv) Vitamins and Supplement
- v) Antiparasitic, Antiemetic
- vi) Laxative

➔ **EXTERNAL PREPARATION**

External preparations refer to medications and treatments that are applied to the skin, mucous membranes, or other external surfaces of the body, rather than being ingested or injected. These formulations are designed to act locally on the area of application, rather than systemically throughout the body. External preparations are used for a variety of purposes, including treating skin conditions, alleviating pain, reducing inflammation, protecting wounds, and providing moisture.

Company is engaged in manufacturing of following type of External Preparations, including:

**Ointments:**

Semi-solid preparations with an oily base, as discussed earlier, are used for protecting the skin, moisturizing, and delivering active ingredients for conditions like eczema, psoriasis, and burns.

**Creams:**

Creams are semi-solid emulsions that are less greasy than ointments. They can be oil-in-water (more common) or water-in-oil formulations. Creams are easily absorbed into the skin and are used to treat various skin conditions, including infections, rashes, and dermatitis.

**Lotions:**

Lotions are similar to creams but are more fluid and contain a higher percentage of water. They are easy to apply over large areas of the body and are often used for cooling, soothing, or moisturizing the skin.

**Gels:**

Gels are semi-solid systems that are usually water-based and contain a gelling agent to provide a clear, jelly-like consistency. Gels are non-greasy and are absorbed quickly into the skin, making them ideal for conditions where rapid action is needed.

**Pastes:**

Pastes are thick, semi-solid preparations that contain a higher proportion of solid ingredients than ointments, giving them a stiffer consistency. They are used for protective and soothing purposes, often in conditions where a barrier is needed on the skin.

**Dusting powder:**

Dusting powder medicine is a topical medication used to treat various skin conditions such as fungal infections, rashes, and irritation. It is applied directly to the affected area to help absorb moisture, reduce itching, and promote healing.

**Mouth wash:**

Mouthwash is an oral hygiene product designed to kill bacteria, freshen breath, and promote overall oral health. Mouthwash can help reduce plaque buildup, prevent gingivitis, and provide a refreshing sensation after use. It is recommended to use mouthwash as part of a daily oral care routine, in addition to brushing and flossing.

Company is engaged in following type of External preparations.

- i) Antibiotic, Antibacterial, Antifungal
- ii) Anti- Inflammatory
- iii) Antipruritic
- iv) Anti-ulcer
- v) Antiseptic

➔ **CAPSULE**

A capsule is another common solid dosage form used for delivering medications. Capsules are typically made of a gelatin or a similar substance that encloses the active pharmaceutical ingredient (API) and excipients in a shell. The shell dissolves in the digestive system, releasing the medication.

**Hard-shelled capsules:** These consist of two rigid, cylindrical pieces—a body and a cap—that fit together. Hard capsules usually contain powdered or granular medications. The medication is often packed tightly into the body of the capsule, and then the cap is sealed onto it. These are often used for dry, powdered ingredients but can also be filled with small pellets or beads that control the release of the drug.

Company is engaged in following type of Capsule.

- i) Antibacterial, Antifungal
- ii) Anti- Inflammatory
- iii) Antiulcer and Antacid
- iv) Cardiac and Anti-Hypertensive
- v) Vitamins and Supplement

➔ **ORAL POWDER**

A powder refers to a finely divided, solid dosage form of a medication. Powders can be used in various ways, including as oral medications, topical applications, or for reconstitution into liquid forms. Powders offer flexibility in dosing, ease of manufacturing, and can be used in different drug delivery systems.

**Oral Powders:**

These are intended to be swallowed after being mixed with a liquid, such as water or juice. Examples include antacid powders, electrolyte supplements, and some over-the-counter medications like laxatives.

Company is engaged in manufacturing in following type of Powder.

- i) Antibiotic, Antibacterial, Antifungal.
- ii) Antihistamine, Antiallergics, Antitussives, Anticold.
- iii) Antiulcer and Antacid.
- iv) Vitamins and Supplement.

#### **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. 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

#### **F. Competition**

The pharmaceutical industry is very competitive with multiple players operating in the said Industry. Further, there are many large and well-established corporates operating in the same segment as us, who might have better resources than those available to us as well as other economic advantages as compared to our business, owing to which we might face competition from such established players. We believe that our experience in this business and quality assurance will be key to overcome competition posed by such players. We believe that we have the potential to compete effectively in the market with our quality of products. We believe that the principal factors affecting competition in our business include client relationships, reputation, and the relative quality and price of the products. We compete with these competitors to enter directly into deals with customers. Our presence in the market coupled with the high quality and vast range of products as well as our product development capabilities, helps us in having a competitive edge in the market. While these factors are key parameters the in-client's decisions matrix in purchasing goods; product range, product quality and product price is often the deciding factor in most deals.

#### **G. Information Technology**

We believe that an appropriate information technology infrastructure is important to support the growth of our business. Our IT infrastructure enables us to track orders from customers, procurement of raw materials, sale of finished goods and inventory management.

## **II. OUR COMPETITIVE STRENGTHS**

- ***Experienced Promoters and Management Team***

Our management team is experienced in the industry in which we are operating and has been responsible for the growth of our operations and financial performance. Our Promoters lead the company with their vision. They have adequate experience in line with the business undertaken

by the Company and look after the strategic as well as day-to-day business operations. The strength and entrepreneurial vision of our Promoters and management have been instrumental in driving our growth and implementing our strategies. We believe that a motivated and experienced employee base is essential for maintaining a competitive advantage.

- **Wide range of Products**

Vision of Accretion is to ensure the quality health care products & to meet the standards of their clients, commitment to provide world class quality, competitive pricing and a constant urge expand their product portfolio has gained reputation as a global manufacturer of various formulation with world class quality products. We believe that our variety of product offerings has enabled us to cater to a large customer base in the domestic market as well as international market.

- **Long-standing relationship with clients and suppliers**

We continually invest in strengthening our relationships with our clients and suppliers. Our sales and marketing operations are led by our Promoter Mr. Hardik Mukundbhai Prajapati and Mr. Vivek Ashok Kumar Patel who has got rich experience in the business of the company.

- **Quality standards**

Quality plays one of the most vital roles in the success of any organization. We are focused on providing quality products. We constantly strive to improve our industrial processes at every step in the production chain. Our focus on quality is evidenced by the quality certification from ISO 9001:2015 for maintaining quality standards and ISO 14001:2015 for meeting safe environmental standards and policies. We believe that ensuring global standard products will attract domestic and international customers to our Company.

- **Legacy Business Process & Management**

Our management has established a supply chain, long-standing customer relations, and established goodwill and trust.

### III. OUR BUSINESS STRATEGY

#### 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, Shri Lanka, Bangladesh, Bhutan, Nepal, Afghanistan, Macau, Guatemala, Guyana, Trinidad & Tobago, Venezuela, Bolivia, Combodia, Myanmar, Laos, Philippines. etc. Besides, as on the date of this 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. 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.

#### 2. Leveraging our market skills and relationship

The business of our Company is customer oriented and always strives to maintain good relationship with the marketers. Leveraging our market skills and relationships is a continuous process in our organization and the skills that we impart in our people give importance to customers. We aim to do

this by leveraging our manufacturing as well as marketing skills and our industry relationships. Our Company provides effective follow-ups with customers which ensure that the customers are satisfied with the product and do not have any complaint.

### 3. Maintaining edge over competitors

We intend to continue to enhance scale in existing products and introduce new products across high end and mid segment to capitalize on the opportunity to cater rising acceptance and demand of new products. Our wide product range provides us competitive edge over our competitors. In order to maintain our competitive edge, we will continue to add newer products to our products portfolio.

### 4. Customer Satisfaction

The business of our Company is customer oriented and always strives to maintain good relationship with the corporate customers. Our Company's marketing team approaches existing corporate customers for their feedback and based on their feedback, any changes in the products, if required, are carried out. Our Company provides quality products and effective follow-ups with customers who ensure that the customers are satisfied with the product and do not have any complaint.

## IV. CAPACITY AND CAPACITY UTILISATION:



The details of capacity and capacity utilization is as under:

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Installed Capacity	Tablet Section (MoU - Numbers)	65,00,00,000	65,00,00,000	65,00,00,000
	Oral Liquid Section (MoU - Bottle)	1,80,00,000	1,80,00,000	1,80,00,000
	External Perpetration Section (MoU - Tube)	90,00,000	90,00,000	90,00,000
	Capsule Section (MoU - Numbers)	20,00,00,000	20,00,00,000	20,00,00,000
	Oral Powder Section (MoU - Bottle & Pouch)	15,00,00,000	15,00,00,000	15,00,00,000
Capacity Utilization	Tablet Section (MoU - Numbers)	34,78,80,000	28,01,50,000	25,90,25,000
	Oral Liquid Section (MoU - Bottle)	1,09,44,000	81,09,000	64,17,000
	External Perpetration Section (MoU - Tube)	36,00,900	16,83,900	14,63,400
	Capsule Section (MoU - Numbers)	9,19,40,000	7,02,80,000	6,41,40,000
	Oral Powder Section (MoU - Bottle & Pouch)	3,69,90,000	2,71,35,000	1,28,55,000
Contribution of Revenue from Top 5 Customers (%)		57.04%	50.79%	33.48%

Information relating to our installed capacities and the capacity utilization of our manufacturing facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates of our management, including proposed operations, assumptions relating to availability and quality of raw materials, actual product mix vis-à-vis the products mix envisaged for computation of our installed capacities and assumptions relating to potential utilization levels and operational efficiencies. The actual capacities and utilization rates may differ significantly from the estimated installed capacities or estimated capacity utilization information of our facilities. Undue reliance should therefore not be placed on our installed capacity or estimated capacity utilization information for our existing facilities included in this Draft Red Herring Prospectus.

## V. INTELLECTUAL PROPERTY RIGHTS

The details pertaining to our Trademarks is provided herein below:

S. No	Brand Name/Logo Trademark	Class	Nature of Trademark and registration number	Owner	Date of Application	Authority	Current Status	Validity
1.	Device" Accretion" 	5	2487302	M/s. Accretion Pharmaceuticals  Assignment application in favour of Accretion	February 28, 2013	Trade Marks Registry, Ahmedabad	Registered	February 28, 2033
2.	Device" Accretion" 	35	2487303	Pharma Limited vide Application dated August 03, 2024	February 28, 2013	Trade Marks Registry, Ahmedabad	Registered	February 28, 2033

## VI. LAND & PROPERTY

The Company occupies the following immovable properties:

S. No.	Location of Property	Activity carried out by the Company	Title of the Company	Lessor/ Licensor (if applicable)
1.	Plot 28 and 29 Xcelon Ind Park 1, B/h, Intas Pharmaceuticals, Vasna Chacharvadi, Ahmedabad, Sanand, Gujarat, India, 382213	Categorized Registered Office cum Manufacturing Unit	Owner	Not Applicable

## VII. EMPLOYEES

As on the date of this Draft Red Herring Prospectus, our Company has 83(Eighty-three) employees on its payroll. Further the Company arranges for manpower as per its requirements from service agencies on production basis.

The breakup of our manpower is as follows:

S. No.	Particulars	No. of persons
1.	Executive Director(s)	04
2.	KMPs	02
3.	Other Staff	77

## VIII. INSURANCE

We maintain insurance for cover against loss or damage by fire, Lighting Explosion/ Implosion, Impact

Damage, Riots, Strike and malicious Damage, Storm Cyclone, Typhoon, Tempest, Hurricane, Tornado, Flood & Inundation, Subsidence, Landslide (Incl. Rock Slide) Damage, Bush Fire, Bursting and Overflowing, of Water Tanks, cover against loss or damages by Burglary, theft or housebreaking, which we believe is in accordance with customary industry practices.

The following are the details of insurance policies taken by us:

S. N o.	Name of the Policy	Policy No.	Insurance Company	Location and Assets covered in the policy	Coverage (in Rs. Lakhs)	Expiry Date
1.	Universal Sampo – Bharat Laghu Udyam Suraksha Policy	2124/64640944/02/000	Universal Sampo General Insurance	Assets located at Plot 28 & 29, Xcelon Ind Park 1, Ahmedabad, Sanand.  Below assets are covered:  1. Building 2. Plant and Machinery 3. Raw Material 4. Stock In Process 5. Finished Goods	Rs. 18,79,03,127	September 29, 2024



## KEY INDUSTRY REGULATIONS

*The following description is a summary of the relevant regulations and policies as prescribed by the GoI and other regulatory bodies that are applicable to our business. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the shareholders and neither designed, nor intended to substitute for professional legal advice. For details of government approvals obtained by us, see the section titled “Government and Other Approvals” on page 252 of this Draft Red Herring Prospectus.*

### THE COMPANIES ACT

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013 and rules made thereunder.

The Companies Act primarily regulates the formation, financing, functioning and restructuring of Companies as separate legal entities. The Act provides regulatory and compliance mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law laid down transparency, corporate governance and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

### SEBI REGULATIONS

Securities And Exchange Board of India is the regulatory body for securities market transactions including regulation of listing and delisting of securities. It forms various rules and regulations for the regulation of listed entities, transactions of securities, exchange platforms, securities market and intermediaries thereto. Apart from other rules and regulations, listed entities are mainly regulated by the SEBI Act, 1992, Securities Contract Regulation Act, 1956, Securities Contracts (Regulation) Rules, 1957, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and SEBI (Prohibition of Insider Trading) Regulations, 2015.

### TAX RELATED REGULATIONS

#### Income Tax Act, 1961

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its “Residential Status” and “Type of Income” involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 31<sup>st</sup> October of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

#### Goods and Service Tax Act, 2017

The Central Goods and Services Tax Act, 2017 is an Act to make a provision for levy and collection of tax on intra-State supply of goods or services or both by the Central Government and for matters

connected therewith or incidental thereto. In line with CGST Act, each state Governments has enacted State Goods and Service Tax Act for respective states. Goods and Services Tax (GST) is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India to replace taxes levied by the central and state governments on goods as services. This method allows GST-registered businesses to claim tax credit to the value of GST they paid on purchase of goods or services or both as part of their normal commercial activity. The mechanism provides for two level taxation of interstate and intra state transactions. When the supply of goods or services happens within a state called as intra-state transactions, then both the CGST and SGST will be collected. Whereas if the supply of goods or services happens between the states called as inter- state transactions and IGST will be collected. Exports are considered as zero-rated supply and imports are levied the same taxes as domestic goods and services adhering to the destination-based taxation principle in addition to the Customs Duty which has not been subsumed in the GST.

### **Customs Act, 1962**

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code) in terms of provisions of the Foreign Trade Development and Regulation Act, 1992. Imported goods in India attract basic customs duty, additional customs duty and cesses in terms of the provisions of the Customs Act, 1962, Customs Tariff Act, 1975 and the relevant provisions made thereunder. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the assessable value of the goods. Customs duties are administered by Central Board of Indirect Taxes and Customs under the Ministry of Finance.

### **State Tax on Profession, Trades, Callings and Employment Rules, 1975**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional tax is classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner.

## **BUSINESS/TRADE RELATED LAWS/REGULATIONS**

### **Food Safety and Standards (Labelling and Display) Regulations 2020**

The Food Safety and Standards Authority of India (FSSAI) has come up with the new Food Safety and Standards (Labelling and Display) Regulations, 2020. The new regulations emphasize on enabling consumers to make informed choices about their food purchases not only in the sphere of packaged food products but also on purchases from restaurants and ecommerce platforms. The new regime is set to be implemented from December 2021 except for a few provisions which are expected to be implemented a month later i.e. from January 2022. These regulations mandates several disclosures to be made on the packaging of the food items including display of certain information in a given manner for products sold on the e-commerce website.

### **Food Safety and Standards (Packaging) Regulations 2018**

These regulations have been enacted to regulate the quality of packing materials being used for the packaging of food and food grade items. These regulations specifies the safety criteria to be used in the packaging of food items and aims to ensure that the packing material used for packaging of food and food grade items are safe for consumption and that the material used is able to withstand mechanical, chemical or thermal stresses encountered during normal transportation and specifies various packaging norms.

### **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 (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 and formulations to increase production or 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, transshipment and import and export 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 both imprisonment and monetary fines.

### **Drugs, Medical Devices and Cosmetics Bill, 2023 (the “Drugs Bill, 2023”)**

The Ministry of Health and Family Welfare, Government of India, released a of the Drugs Bill, 2023. The Drugs Bill, 2023 is proposed to amend and consolidate the laws relating to, inter alia, import, manufacture, distribution and sale of drugs and medical devices and cosmetics as well as the law relating clinical trials of new drugs and clinical investigation of investigational medical devices. The Drugs Bill, 2023 lays down the standards of the quality of imported drugs and cosmetics and circumstances under which these would be deemed to be adulterated, spurious and misbranded. Under the Drugs Bill, 2023, the central government has the power to prohibit or restrict or regulate

the import of drugs and cosmetics in public interest including to meet the requirements of an emergency arising due to epidemic or natural calamities. Further, it lays down the standards of quality for manufacture, sale and distribution of drugs and cosmetics and clinical trial of drugs. The Drugs Bill, 2023 also proposes establishment of several boards and committees to assist and advise the Central and State Governments in the administration and regulation of drugs, cosmetics and medical devices.

#### **Cosmetics Rules, 2020 (the “Cosmetic Rules”)**

Under the Cosmetic Rules, no cosmetic shall be imported into India unless the product has been registered in accordance with these rules by the central licensing authority i.e., the Drugs Controller General of India, appointed by the Central Government. Further, any person who intends to manufacture cosmetics shall make an application for grant of a license or loan license to manufacture for sale or for distribution to the state licensing authority. Also, it needs to be ensured that if cosmetics are manufactured at more than one premises, a separate license is obtained for each such premises. Under the Cosmetic Rules, each batch of the raw materials used for manufacturing the cosmetics, and also each batch of the final product is required to be tested and the records or registers showing the particulars in respect of such tests is required to be maintained. The Cosmetic Rules further prescribes the labelling and packaging requirements to be followed for sale or distribution of cosmetics of Indian origin.

#### **The Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954 (the “DMRA”)**

The DMRA seeks to control advertisements of drugs in certain cases and prohibits advertisement of remedies that claim to possess magic qualities. In terms of the DMRA, advertisements include any notice, circular, label, wrapper or other document and any announcement made orally or by any means of producing or transmitting light, sound or smoke. It also specifies the ailments for which no advertisement is allowed. DMRA prohibits advertisements that give false impression regarding the true character of a drug, make false claims for a drug, or are otherwise false or misleading in any material particular. Further, the Drugs and Magic Remedies (Objectionable Advertisements) Rules, 1955 have been framed for effective implementation of the provisions of the DMRA.

#### **National Pharmaceuticals Pricing Policy, 2012 (the “2012 Policy”)**

The 2012 Policy intends to provide the principles for pricing of essential drugs specified in the National List of Essential Medicines – 2011 (“NLEM”) declared by the Ministry of Health and Family Welfare, Government of India and modified from time to time, in order to ensure the availability of such medicines at reasonable price, while providing sufficient opportunity for innovation and competition to support the growth of the industry. The prices are regulated based on the essential nature of the drugs. Further, the 2012 Policy regulates the price of formulations only, through market-based pricing which is different from the earlier principle of cost based pricing. Accordingly, the formulations will be priced by fixing a ceiling price and the manufacturers of such drugs will be free to fix any price equal to or below the ceiling price.

#### **The New Drugs and Clinical Trial Rules, 2019 (the “NDC Rules”)**

The clinical trials in India are controlled by the Directorate General (“DG”) of health services under the Ministry of Health and Family Welfare, Government of India. The NDC Rules lay down the process mechanics and guidelines for clinical trials, including procedure for approval for clinical trials. Clinical trials require obtaining of free, informed, and written consent from each study subject. The NDC Rules also provide for compensation in case of injury or death caused during the clinical trials. The Central Drugs Standard Control Organization has issued the guidance for industry for submission of clinical trial application for evaluating safety and efficacy, for the purpose of submission of clinical trial

application as required under the NDC Rules. Further, under the NDC Rules, the ethics committee constituted thereunder is required to register itself with the central licensing authority in order to conduct any clinical trial, bioavailability study or bioequivalence study. The NDC Rules further provide for the composition and functions of the ethics committee and its period of validity. The NDC Rules further mandate the maintenance of records for a period of five years after completion of the clinical trial, bioavailability study or bioequivalence study, as the case may be.

### **The Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022 (“Advertisement Guidelines”)**

The Advertisement Guidelines provide for the prevention of false or misleading advertisements and making endorsements relating thereto. The Advertisement Guidelines apply inter alia to a manufacturer and to all advertisements regardless of form, format or medium. The Advertisement Guidelines lay down the conditions for non-misleading and valid advertisement and prohibit surrogate or indirect advertisements of goods or services whose advertising is prohibited or restricted by law, by portraying it to be an advertisement for other goods or services, the advertising of which is not prohibited or restricted by law. Further, the Advertisement Guidelines lay down duties of inter alia a manufacturer and provide inter alia that every manufacturer shall ensure that all descriptions, claims and comparisons in an advertisement which relate to matters of objectively ascertainable facts shall be capable of substantiation. The Advertisement Guidelines further provide that any endorsement in an advertisement must reflect the genuine, reasonably current opinion of the individual, group or organization making such representation and must be based on adequate information about, or experience with, the identified goods, product or service and must not otherwise be deceptive.

### **The National List of Essential Medicines, 2022**

The National List of Essential Medicines, 2022 (“NLEM”), has been introduced to replace the National List of Essential Medicines, 2015. This new list provides for 384 drugs as essential instead of the earlier 376. A total of 18 medicines have been added, 9 medicines have been deleted to finalize the new list. The medicines in National List of Essential Medicines (NLEM) should be available at affordable costs and with assured quality. The medicines used in the various national health programs emerging and re-emerging infections should be addressed in the list. The Government of India, Ministry of Health & Family Welfare (MOHFW) is mandated to ensure the quality healthcare system by assuring availability of safe and efficacious medicines for its population.

### **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.

### **Good Manufacturing Practice Guidelines (GMP)**

These guidelines are provided under Schedule T of Drug and Cosmetic Act, 1940. Good manufacturing practices (GMP) are the practices required in order to conform the guidelines recommended by agencies that control authorization and licensing for manufacture and sale of food, drug products, and active pharmaceutical products. These guidelines provide minimum requirements that a pharmaceutical or a food product manufacturer must meet to assure that the products are of high quality and do not pose any risk to the consumer or public. Good manufacturing practices, along with good laboratory practices and good clinical practices, are overseen by regulatory agencies in various

sectors in India.

### **The Essential Commodities Act, 1955 (the “ECA”)**

The ECA empowers the Central Government, to control production, supply and distribution, 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.

### **Uniform Code for Pharmaceutical Marketing Practices, 2024 (“UCPMP Code”)**

The UCPMP Code is a mandatory code issued by the Department of Pharmaceuticals, Government of India, relating to promotion and marketing practices for Indian pharmaceutical companies and the medical devices industry. The UCPMP Code is applicable to pharmaceutical companies, medical representatives, agents of pharmaceutical companies such as distributors, wholesalers, retailers, and pharmaceutical manufacturer’s associations. The UCPMP Code mandates that the promotion of a drug must be consistent with the terms of its marketing approval and prohibits offering or providing any gifts, pecuniary advantages, or benefits in kind to healthcare professionals or their family members (both immediate and extended) by pharmaceutical companies or their agents and violations of the UCPMP Code can lead to imposition of monetary fines.

### **The Bureau of Indian Standards Act, 1986**

The Bureau of Indian Standards Act, 1986 (“BIS Act”) was established to provide for the establishment of a bureau (“Bureau”) for the harmonious development of the activities of standardization, marking and quality certification of goods and for matters connected therewith. “Indian Standard” means the standard (including any tentative or provisional standard) established and published by the Bureau, in relation to any article or process indicative of the quality and specification of such article or process and includes - (i) any standard recognized by the Bureau under clause (b) of section 10 of the BIS Act; and (ii) any standard established and published, or recognized, by the Indian Standards Institution and which is in force immediately before the date of establishment of the Bureau.

### **The Bureau of Indian Standards Act, 2016 (“BIS Act”) and Bureau of Indian Standards Rules, 2018 and amendments thereto**

The BIS Act and rules made thereunder, establishes, publishes and regulates national standards to ensure conformity assessment, standardization, and quality assurance of goods, articles, processes, systems and services. The BIS Act empowers the Bureau of Indian Standards to inspect and monitor the quality of goods and materials to ensure conformity with the BIS Act. In furtherance of such powers, the officials may inspect the premises for evaluating a manufacturer’s compliance with use of standard marks. The BIS Act also enables the central government to appoint any authority to verify the conformity of products and services to a standard and issue certificate of conformity. Further, the BIS Act sets out inter alia, liability for use of standard mark on products that do not conform to the relevant Indian Standard. Under the BIS Act, such products may be recalled from the market.

## **Legal Metrology Act, 2009**

The Legal Metrology Act, 2009, as amended (the “Metrology Act”), was enacted with the objectives 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 and for matters connected therewith or incidental thereto. The Metrology Act states that any transaction/contract relating to goods/class of goods or undertakings shall be as per the weight/measurement/numbers prescribed by the Metrology Act. The specifications with respect to the exact denomination of the weight of goods to be considered in transactions are contained in rules by each state.

### **Legal Metrology (Packaged Commodities) Amendment Rules, 2017 (“Packaged Commodity Rules”)**

The Packaged Commodity Rules have amended the Legal metrology (Packaged Commodities) Rules, 2011, and lays down specific provisions applicable to packages intended for retail sale, whole-sale and for export and import. Pursuant to the packaged Commodity Rules, any pre-packaged commodity sold for use and consumption by the citizens must properly mention several details such as, the description and quantity of ingredients, date of manufacturing, date of expiry (for items prone to expiration), weight, statutory warnings, manufacturer address, contact and some other info like consumer care details, country of origin, etc.

## **Standards of Weights and Measures Act, 1976**

The Standards of Weights and Measures Act, 1976 (the “Act”) was enacted to regulate trade or commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and to provide for such matters as may be connected thereto. The Act enumerates the specific base units to measure goods and products. Any offence under this Act is punishable with imprisonment or fine or with both based on the type of violation.

### **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.

## **REGULATIONS RELATED TO FOREIGN TRADE AND INVESTMENT**

### **The Foreign Direct Investment**

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“FDI”) through press notes and press releases. The Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce & Industry, Government of India makes policy pronouncements on FDI through Consolidated FDI Policy Circular/Press Notes/Press Releases which are notified by the Department of Economic Affairs (DEA), Ministry of Finance, Government of India as amendments to the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 under the Foreign Exchange Management Act, 1999 (42 of 1999) (FEMA). DPIIT has issued consolidated FDI Policy Circular of 2020 (“FDI Policy 2020”), which with effect from October 15, 2020, consolidates and

supersedes all previous press notes, press releases and clarifications on FDI Policy that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until an updated circular is issued.

The reporting requirements for any investment in India by a person resident outside India under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 are specified by the RBI. Regulation 4 of the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 vide notification No. FEMA. 395/2019-RB dated 17.10.2019 issued by the RBI stipulates the reporting requirement for any investment in India by a person resident outside India. All the reporting is required to be done through the Single Master Form (SMF) available on the Foreign Investment Reporting and Management System (FIRMS) platform at <https://firms.rbi.org.in>.

Under the current FDI Policy of 2020, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations.

### **Foreign Exchange Management Act, 1999 (“FEMA”) and Regulations framed thereunder:**

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce & Industry, Government of India. As laid down by the FEMA Regulations no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the ‘automatic route’ within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIF and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 (“FEMA Regulations”) to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2015 for regulation on exports of goods and services.

### **Ownership restrictions of FIIs**

Under the portfolio investment scheme, the total holding of all FIIs together with their sub-accounts in an Indian company is subject to a cap of 24% of the paid-up capital of a company, which may be increased up to the percentage of sectoral cap on FDI in respect of the said company pursuant to a resolution of the board of directors of the company and the approval of the shareholders of the company by a special resolution in a general meeting. The total holding by each FII, or in case an FII is investing on behalf of its sub-account, each sub-account should not exceed 10% of the total paid-up capital of a company

### **Laws related to Overseas Investment by Indian Entities:**

Overseas investment by Indian Entities are governed under Foreign Exchange Management Act, 1999 under which the central Government of India have notified Foreign Exchange Management (Overseas Investment) Rules, 2022 in suppression of Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004 and the Foreign Exchange Management (Acquisition and Transfer of Immovable Property Outside India) Regulations, 2015. Followed by the rules, RBI has vide notification no. RBI/2022-2023/110, A.P. (DIR Series) Circular No.12 dated August 22, 2022 have issued Foreign Exchange Management (Overseas Investment) Directions, 2022 and Foreign Exchange Management (Overseas Investment) Regulations, 2022. These legislations frame the investment fields, mode and cap for various sectors and regions, by any person resident in India and the reporting



requirements.

### **Foreign Trade Policy 2023:**

The Central Government of India in exercise of powers conferred under Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No. 22 of 1992) [FT (D&R) Act], as amended, has notified Foreign Trade Policy (FTP) 2023 which is effective from April 01, 2023 and shall continue to be in operation unless otherwise specified or amended. It provides for a framework relating to export and import of goods and services.

## **LAWS RELATED TO ENVIRONMENTAL LAWS**

### **National Environmental Policy, 2006**

The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource.

### **Environment (Protection) Act, 1986 as amended (“EPA”)**

The EPA has been enacted for the protection and improvement of the environment. It stipulates that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environmental pollutant in excess of such standards as may be prescribed. Further, no person shall handle or cause to be handled any hazardous substance except in accordance with such procedure and after complying with such safeguards as may be prescribed. EPA empowers the Central Government to take all measures necessary to protect and improve the environment such as laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and generally to curb environmental pollution. Pollution control boards have been constituted in all states in India to exercise the powers and perform the functions provided for under these statutes for the purpose of preventing and controlling pollution. Companies are required to obtain consents of the relevant state pollution control boards for emissions and discharge of effluents into the environment.

### **Water (Prevention and Control of Pollution) Act, 1974 (the “Water Act”)**

The Water Act provides for one Central Pollution Control Board, as well as state pollution control boards, to be formed to implement its provisions, including enforcement of standards for factories discharging pollutants into water bodies. The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State PCB. The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage effluent. The Water Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.

### **The Air (Prevention & Control of Pollution) Act, 1981(the “Air Act”)**

One Central Pollution Control Board, as well as state pollution control boards formed under water act shall be deemed to be Central Board & State Board for the Prevention and Control of air Pollution. The Air Act prohibits that no person operating any industrial plant, in any air pollution control area shall discharge or cause or permit to be discharged the emission of any air pollutant in excess of the standards laid down by the State Board. The Air Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.

### **Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (the “Hazardous Waste Rules”)**

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste. Under the Hazardous Waste Rules, “hazardous waste” inter alia means any waste which by reason of characteristics such as physical, chemical, biological, reactive, toxic, flammable, explosive or corrosive, causes danger or is likely to cause danger to health or environment, whether alone or in contact with other wastes or substances. Every occupier and operator of a facility generating hazardous waste must obtain authorization has been relevant state pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment or third party resulting from the improper handling and management and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

### **Environment Impact Assessment Notification of 2006**

The Ministry of Environment, Forests and Climate Change has notified the Environment Impact Assessment Notification of 2006 in September 2006. The notification makes it mandatory for various projects to get environment clearance.

### **The Public Liability Insurance Act, 1991 (the “PLI Act”) and the Public Liability Insurance Rules, 1991(the “PLI Rules”)**

The PLI Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the government by way of a notification. Under the PLI Act, the owner or handler is also required to take out an insurance policy insuring against liability. The PLI Act also provides for the establishment of the Environmental Relief Fund, which shall be utilized towards payment of relief granted under the Public Liability Act. The PLI Rules mandate the employer to contribute a sum equal to the premium paid on the insurance policies towards the Environmental Relief Fund.

## **LAWS RELATING TO INTELLECTUAL PROPERTY**

### **Trademarks Act, 1999**

Under the Trademarks Act, 1999 (“Trademarks Act”), a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A ‘mark’ may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof.

### **The Patents Act, 1970:**

The Patents Act, 1970 as amended from time to time, in India has been enacted to protect inventions. Patents provide the exclusive rights for the owner of a patent to make, use, exercise, distribute and sell a patented invention. The patent registration confers on the patentee the exclusive right to use, manufacture and sell his invention for the term of the patent.

## **LAWS RELATED TO EMPLOYMENT OF MANPOWER:**

### **Code on Wages, 2019**

The Code on Wages, 2019 regulates and amalgamates wage and bonus payments and subsumes 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 received the assent of the President of India on August 8, 2019. It regulates, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees. Only few section of the Code has yet been notified vide notification no. S.O. 4604(E) dated December 18, 2020.

### **The Occupational Safety, Health and Working Conditions Code, 2020**

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. The Central Government has issued the draft rules under the Occupational Safety, Health and Working Conditions Code, 2020. The draft rules provide for operationalization of provisions in the Occupational Safety, Health and Working Conditions Code, 2020 relating to safety, health and working conditions of the dock workers, building or other construction workers, mines workers, inter-state migrant workers, contract labour, journalists, audio-visual workers and sales promotion employees.

### **The Industrial Relations Code, 2020**

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.

### **The Code on Social Security, 2020**

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 Unorganized 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. The Central Government has issued the draft rules under the Code on Social Security, 2020. The draft rules provide for operationalization of provisions in the Code on Social Security, 2020 relating to employees' provident fund, employees' state insurance corporation, gratuity, maternity benefit, social security and cess in respect of building and other construction workers, social security for unorganized workers, gig workers and platform workers.

In addition to above, we are subject to wide variety of generally applicable labour laws concerning condition of working, benefit and welfare of our laborers and employees such as the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the

Employees (Provident Fund and Miscellaneous Provision) Act, 1952.

\*The Code on Wages, 2019, The Code on Social Security, 2020, (enacted by the Parliament of India and assented to by the President of India) will come into force as may be notified in the Official Gazette by the Central Government of India, different dates may be appointed for different provisions of the Codes.

### **Employees Provident Fund and Miscellaneous Provisions Act, 1952**

Under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act), compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee's provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee's contribution to the provident fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

### **Employees State Insurance Act, 1948, as amended (the "ESIC Act")**

The ESI Act, provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

### **Payment of Gratuity Act, 1972, as amended (the "Gratuity Act")**

The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time. Penalties are prescribed for non-compliance with statutory provisions.

Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed 1 million.

Certain other laws and regulations that may be applicable to our Company in India include the following:

- Minimum Wages Act, 1948 and Maharashtra Minimum Wages Rules, 1963 ("MWA Rules")
- Public Liability Insurance Act, 1991 ("PLI Act")
- Industrial (Development and Regulation) Act, 1951 ("IDRA")
- Industrial Disputes Act, 1947 ("ID Act")
- Payment of Bonus Act, 1965 ("POB Act")
- Child Labour (Prohibition and Regulation) Act, 1986
- Inter-State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979

- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("SHWW Act")
- Equal Remuneration Act, 1976 ("ER Act")
- Contract Labour Regulation and Abolition Act, 1970 (CLRA) and Contract Labour (Regulation and Abolition) Central Rules, 1971 (Contract Labour Rules)
- Workmen Compensation Act, 1923 ("WCA")
- Maternity Benefit Act, 1961 ("Maternity Act")
- Industrial Employment Standing Orders Act, 1946
- Apprentice Act, 1961 read with The National Policy of Skill Development and Entrepreneurship 2015,

## **OTHER GENERAL REGULATIONS**

### **The Micro, Small and Medium Enterprises Development Act, 2006 ("MSME Act"):**

MSME Act was enacted to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. Any person who intends to establish (a) a micro or small enterprise, at its discretion; (b) a medium enterprise engaged in providing or rendering of services may, at its discretion; or (c) a medium enterprise engaged in manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 is required to file a memorandum before such authority as specified by the State Government or the Central Government. The form of the memorandum, the procedure of its filing and other matters incidental thereto shall be such as may be specified by the Central Government, based on the recommendations of the advisory committee. Accordingly, in exercise of this power under the MSME Act, the Ministry of Micro, Small and Medium Enterprises notification dated September 18, 2015 specified that every micro, small and medium enterprises is required to file a Udyog Adhaar Memorandum in the form and manner specified in the notification.

### **State Laws**

We operate in various states. Accordingly, legislations passed by the state governments are applicable to us in those states. These include legislations relating to, among others, Shops and Establishment Act, classification of fire prevention and safety measures and other local licensing. Further, we require several approvals from local authorities such as municipal bodies. The approvals required may vary depending on the state and the local area.

### The Gujarat Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2019

The Act provides for registration of any place of business falling within the definition of an establishment under the act, with the local municipal corporation. However, areas not covered under the Municipality of any region are not required to register under the Act.

### **Municipality Laws**

Pursuant to the Constitution (Seventy-Fourth Amendment) Act, 1992, the respective state legislatures in India have power to endow the municipalities with power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India. The respective states of India have enacted laws empowering the municipalities to issue trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

### **Approvals from Local Authorities**

Setting up of a factory or manufacturing / housing unit entails the requisite planning approvals to be

obtained from the relevant Local Panchayat(s) outside the city limits and appropriate Metropolitan Development Authority within the city limits. Consents are also required from the state pollution control board(s), the relevant state electricity board(s), the state excise authorities, sales tax, among others, are required to be obtained before commencing the building of a factory or the start of manufacturing operations.

**Other regulations:**

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881, The Information Technology Act, 2000, Sale of Goods Act 1930 and Consumer Protection Act 1986, The Arbitration & Conciliation Act, 1996 are also applicable to the company.

**PROPERTY RELATED LAWS**

The Company is required to comply with central and state laws in respect of property. Central Laws that may be applicable to our Company's operations include the Land Acquisition Act, 1894, the Transfer of Property Act, 1882, Registration Act, 1908, Indian Stamp Act, 1899, Stamp Act of Relevant State and Indian Easements Act, 1882.

# HISTORY AND CORPORATE STRUCTURE OF OUR COMPANY

## HISTORY AND MAJOR EVENTS

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 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.

The Corporate Identification Number of our Company is U21004GJ2023PLC146545.

The name of the initial subscribers to the Memorandum of Association of our Company is provided herein below:

S. No	Name
1	Mr. Mayurbhai Popatlal Sojitra
2	Mr. Vivek Ashok Kumar Patel
3	Mr. Harshad Nanubhai Rathod
4	Mr. Hardik Mukundbhai Prajapati
5	Mrs. Ankita Vivek Patel
6	Mrs. Pooja Harshad Rathod
7	Mrs. Shweta Sojitra
8	Mrs. Vaishaki Hardik Prajapati

### Changes in the Registered Office since incorporation

Our Company’s Registered Office is presently situated at 29 Xcelon Ind Park 1, B/h, Intas Pharmaceuticals, Vasna Chacharvadi, Ahmedabad, Sanand, Gujarat, India - 382213. There has been no change in the registered office of our Company since incorporation.

### 1. Major Events

Year	Activities
December 18, 2012	Formed as a Partnership Firm in the name and style of “M/s Accretion pharmaceuticals”, pursuant to a deed of partnership dated December 18, 2012.
November 29, 2023	Incorporation of our Company “Accretion Pharmaceuticals Limited” as a Public Limited Company from conversion of “M/s Accretion Pharmaceuticals” a Partnership firm vide partner’s resolution dated October 16, 2023.

### 2. Key Awards, Accreditations or Recognitions

Calendar Year	Key Awards, Accreditations or Recognitions
2020	Received Indian Achievers Award for Emerging Company in Recognition of Outstanding Professional Achievements & Contribution in Nation Building
2023	Obtained ISO Certification 9001:2015 from the ICV ASSESSMENTS PVT. LTD. for Manufacturer & Exporter of Pharmaceuticals, Nutraceuticals, Ayurvedic, Cosmetics & Wellness Products.
2023	Obtained ISO Certification 14001:2015 from the ICV ASSESSMENTS PVT. LTD. for Manufacturer & Exporter of Pharmaceuticals, Nutraceuticals, Ayurvedic, Cosmetics & Wellness Products.
2023	Obtained ISO Certification 22000:2018 from the ICV ASSESSMENTS PVT. LTD. for Manufacturer & Exporter of Pharmaceuticals, Nutraceuticals, Ayurvedic, Cosmetics & Wellness Products.

### **3. Changes in activities of our Company during the last five years**

There has not been any change in the activity of our Company during the last five (5) years preceding the date of this Draft Red Herring Prospectus.

### **4. Capital raising (Equity/Debt)**

Our equity issuances in the past, have been provided in sections titled “Capital Structure” beginning on page 79. Further, our Company has not undertaken any public offering of debt instruments since its inception.

### **5. Revaluation of Assets**

Our Company has neither revalued its assets nor has issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves in the last ten years from the date of this Draft Red Herring Prospectus.

### **6. Defaults or rescheduling of borrowings with financial institutions/ banks**

There have been no defaults or rescheduling of borrowings from financial institutions or banks or conversion of loans into equity in relation to our Company as on the date of this Draft Red Herring Prospectus.

### **7. Time and Cost Overrun in Setting up Projects by our Company**

There has been no time or cost overruns pertaining to the setting up of projects and the business operations undertaken by our Company, preceding the date of this Draft Red Herring Prospectus.

### **8. Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets**

Our company has acquired the entire business of M/s. Accretion Pharmaceuticals, a partnership firm consisting of Mr. Harshad Nanubhai Rathod, Mr. Vivek Ashok Kumar Patel, Mr. Mayur Popatlal Sojitra, and Mr. Hardik Mukundbhai Prajapati. This acquisition was executed on a going



concern basis through conversion on November 29, 2023. Apart from this acquisition, there have been no other business acquisitions, mergers, amalgamations, or asset revaluations in the past 10 years.

## 9. Main objects of our Company

The main objects contained in the Memorandum of Association of our Company are as follows:

To manufacture, process, trade, sale, purchase, import, export, assemble, distribute, formulate, develop, consult, test and deal in all kind of Drugs, Pharmaceuticals, Ayurvedic, Nutraceutical, Pesticides, Dyestuffs, drugs, nutriments, nutraceuticals, dietary supplements, allopathy, ayurvedic, herbal, wellness, cosmetic homeopathy and or veterinary, including bulk drugs, and intermediates, organic compounds acids, vitamins, medicines from fermentation products, diagnostics, chemicals related to medicines, Chemical contraceptives, acids, alkalis, manure antibodies, bandages, medical cotton, gauge, crutches and various types of anatomical, orthopaedic or surgical instruments, implants, mother tincture preparations, globules, creams, scents, soaps, lotions, toiletry goods and related products thereto.

The main objects as contained in the Memorandum of Association enables our Company to carry on the business presently being carried out and the activities proposed to be undertaken pursuant to the Objects of the Issue. For further details, please see the chapter titled “Objects of the Issue” on page 102.

## 10. Changes in Memorandum & Articles of Association of the Company-

S. No.	Date of Alteration	Nature of Alteration
1.	June 29, 2024	Change in Clause V of the Memorandum of Association because of increase of the Authorized Share Capital of the Company from Rs. 4,00,00,000 to Rs. 10,00,00,000
2.	July 17, 2024	Change in Clause V of the Memorandum of Association on increase of the Authorized Share Capital of the Company from Rs. 10,00,00,000 to Rs. 13,00,00,000

## 11. Holding Company, Subsidiary/Subsidiaries and Joint Venture(s) of the Company

As on the date of this Draft Red Herring Prospectus, our Company does not have any holding company or subsidiary company or joint venture.

## 12. Shareholders Agreement

There are no subsisting shareholders agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same.

## 13. Other Agreements

Except the Contracts / Agreements entered into in the ordinary course of the business carried on or intended to be carried on by the Company, the Company has not entered into any other Agreement / Contract.

## 14. Strategic and Financial Partnership

As on date of this Draft Red Herring Prospectus our Company does not have any financial partnership. Apart from the various arrangements with bankers and financial institutions which our company undertakes in the ordinary course of business, our company does not have any other financial partners.

#### **15. Other Confirmations**

Neither our Promoters nor any of the Key Managerial Personnel, Directors or 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.

#### **16. Other details about our Company:**

For a description of our activities, services, marketing, market segments, the growth of our Company, the standing of our Company with reference to prominent competitors, major suppliers and customers, technology, market, etc., see the sections titled "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations", beginning on pages 141 and 232, respectively.

For details of the management of our Company and its managerial competence, see the section titled "Our Management" beginning on page 187.

As on the date of this Draft Red Herring Prospectus, our Company has 8 shareholders. For further details on the shareholding of our Company, see the section titled "Capital Structure" beginning on page 79.

## OUR MANAGEMENT

### BOARD OF DIRECTORS

In terms of the provisions contained under the Companies Act, a Public Limited Company is required to have minimum 3 (three) and maximum of 15 (fifteen) Directors. Currently, our Company has 07 (Seven) Directors on its Board, including 3 Independent Directors including one Women Independent Director. Our Company is in compliance with the Companies Act, 2013, in relation to the composition of our Board and constitution of committees thereof.

The following table sets forth the details regarding the Board of Directors as on the date of filing of this Draft Red Herring Prospectus.

Name, DIN, Designation, Date of Birth, Age, Qualification, Experience, Address, Occupation, Date of expiration of current term, Period of Directorship	Details of directorships in other companies
<p><b>Mayur Popatlal Sojitra</b></p> <p><b>DIN:</b> 09108404</p> <p><b>Designation:</b> Executive Director</p> <p><b>Date of Birth:</b> July 30, 1987</p> <p><b>Age:</b> 37 Years</p> <p><b>Qualification:</b> Bachelor of Pharmacy degree from Gujarat University &amp; Honour MBA (International Business) from a university (University of Greenwich, London)</p> <p><b>Experience:</b> 12 years in Pharmaceutical Industry</p> <p><b>Address:</b> A-9, Aagman Apartment, Near Sambhav Press, Premchandnagar Road, Ahmedabad, Gujarat - 380054</p> <p><b>Occupation:</b> Business</p> <p><b>Date of expiration of current term:</b> Liable to retire by rotation</p> <p><b>Period of Directorship:</b> Since November 29, 2023</p>	<p>1) Accresha Lifecare Private Limited 2) Accretion Nutraveda Private Limited</p>

Name, DIN, Designation, Date of Birth, Age, Qualification, Experience, Address, Occupation, Date of expiration of current term, Period of Directorship	Details of directorships in other companies
<p><b>Harshad Nanubhai Rathod</b></p> <p><b>DIN:</b> 09108392</p> <p><b>Designation:</b> Executive Director</p> <p><b>Date of Birth:</b> June 11, 1986</p> <p><b>Age:</b> 38 years</p> <p><b>Qualification:</b> Bachelor in Pharmacy from Gujarat University &amp; MBA from Madhyanchal professional university, Bhopal.</p> <p><b>Experience:</b> Marketing Head in Recspeed Healthcare and Currently in Accretion group since 14 years</p> <p><b>Address:</b> 402- Vasundhara Appartment, 12-Jain Society, Pritamnagar, Ellisbridge, Ahmedabad, Gujarat- 380006</p> <p><b>Occupation:</b> Business</p> <p><b>Date of expiration of current term:</b> Liable to retire by rotation</p> <p><b>Period of Directorship:</b> Since November 29, 2023</p>	<p>1) Accretion Nutraveda Private Limited</p>

Name, DIN, Designation, Date of Birth, Age, Qualification, Experience, Address, Occupation, Date of expiration of current term, Period of Directorship	Details of directorships in other companies
<p><b>Vivek Ashok Kumar Patel</b></p> <p><b>DIN:</b> 09130357</p> <p><b>Designation:</b> Managing Director</p> <p><b>Date of Birth:</b> December 05, 1987</p> <p><b>Age:</b> 36 years</p> <p><b>Qualification:</b> Bachelor in Pharmacy (LJIP, Ahmedabad) &amp; MBA (Pharma) from a premier institute D Y PATIL Mumbai.</p> <p><b>Experience:</b> Training at Alive Pharma, Ahmedabad, Merck Ltd (Germany based MNC) as Marketing Executive in Ahmadabad area for 3 years. In accretion group since beginning</p> <p><b>Address:</b> 801, Heritage Opus, Opp. Auda Lake, Prahladnagar- 380015. Ahmedabad, Gujarat - 380015</p> <p><b>Occupation:</b> Business</p> <p><b>Date of expiration of current term:</b> Appointed for a period of 5 Years from July 09, 2024.</p> <p><b>Period of Directorship:</b> Since November 20, 2023 (Managing Director since July 9, 2024)</p>	<p>1) Accretion Nutraveda Private Limited</p>

Name, DIN, Designation, Date of Birth, Age, Qualification, Experience, Address, Occupation, Date of expiration of current term, Period of Directorship	Details of directorships in other companies
<p><b>Hardik Mukundbhai Prajapati</b></p> <p><b>DIN:</b> 09108403</p> <p><b>Designation:</b> Executive Director</p> <p><b>Date of Birth:</b> December 09, 1987</p> <p><b>Age:</b> 36 years</p> <p><b>Qualification:</b> B. pharm from LJIP Ahmadabad &amp; Masters in Pharmacy</p> <p><b>Experience:</b> Manufacturing process at Lincoln pharmaceuticals Ltd &amp; Marketing at Recspeed Healthcare. He is having more than 14 years of Pharmaceutical Production Experience</p> <p><b>Address:</b> B/84 C.P. Colony Part 1, Bhuyang Cross Road, Ahmadabad City, Ghatlodia, Ahmadabad, Gujarat- 380061</p> <p><b>Occupation:</b> Business</p> <p><b>Date of expiration of current term:</b> Liable to retire by rotation</p> <p><b>Period of Directorship:</b> Since November 29, 2023</p>	<p>1) Accresha Lifecare Private Limited 2) Accretion Nutraveda Private Limited</p>

Name, DIN, Designation, Date of Birth, Age, Qualification, Experience, Address, Occupation, Date of expiration of current term, Period of Directorship	Details of directorships in other companies
<p><b>Grishma Shewale</b></p> <p><b>DIN:</b> 10685826</p> <p><b>Designation:</b> Independent Director</p> <p><b>Date of Birth:</b> June 20,1992</p> <p><b>Age:</b> 32 Years</p> <p><b>Qualification:</b> CS, LLB, B.Com and M.Com</p> <p><b>Experience:</b> More than 9 years of experience as a Company secretary and Compliance officer</p> <p><b>Address:</b> 9, Ashirwad Society, Ajwa Road, Vadodara, Gujarat - 390019</p> <p><b>Occupation:</b> Employment</p> <p><b>Date of expiration of current term:</b> Appointed for the period of 5 years w.e.f. July 09, 2024.</p> <p><b>Period of Directorship:</b> Since July 09, 2024</p>	<p>NIL</p>

Name, DIN, Designation, Date of Birth, Age, Qualification, Experience, Address, Occupation, Date of expiration of current term, Period of Directorship	Details of directorships in other companies
<p><b>Vijay Bharatbhai Anadkat</b></p> <p><b>DIN:</b> 09578670</p> <p><b>Designation:</b> Independent Director</p> <p><b>Date of Birth:</b> June 25, 1988</p> <p><b>Age:</b> 36 Years</p> <p><b>Qualification:</b> CS, BBA, MBA</p> <p><b>Experience:</b> More than 8 years of experience in the consulting.</p> <p><b>Address:</b> 602, Aashirvad apartment, University road, opposite Metro restaurant, Rajkot, Gujarat – 360007</p> <p><b>Occupation:</b> Consultant</p> <p><b>Date of expiration of current term:</b> Appointed for the period of 5 years w.e.f. July 09, 2024.</p> <p><b>Period of Directorship:</b> Since July 9, 2024</p>	<p>NIL</p>



Name, DIN, Designation, Date of Birth, Age, Qualification, Experience, Address, Occupation, Date of expiration of current term, Period of Directorship	Details of directorships in other companies
<p><b>Shyam Bhadresh Kapadia</b></p> <p><b>DIN:</b> 10672090</p> <p><b>Designation:</b> Independent Director</p> <p><b>Date of Birth:</b> April 10, 1991</p> <p><b>Age:</b> 33 Years</p> <p><b>Qualification:</b> CS, LLB, B.Com</p> <p><b>Experience:</b> 6+ Years of experience as a Company Secretary and Compliance officer</p> <p><b>Address:</b> 32, Aagam Heritage, Near Someshwara Enclae, University Road, Vesu, Gujarat - 395007</p> <p><b>Occupation:</b> Employment</p> <p><b>Date of expiration of current term:</b> Appointed for the period of 5 years w.e.f. July 09, 2024.</p> <p><b>Period of Directorship:</b> Since July 9, 2024</p>	<p>1. Aten Papers &amp; Foam Limited</p>

#### **Brief Profile of our Directors**

##### **MR. MAYUR POPATLAL SOJITRA, (EXECUTIVE DIRECTOR)**

Mr. Mayur Popatlal Sojitra (DIN: 09108404), 37 years old, is a Promoter and Executive Director of our Company. Previously, he was a Partner at M/s Accretion Pharmaceuticals, a firm engaged in manufacturing and trading a variety of pharmaceutical products, including tablets, capsules, liquids, and other forms. Their operations also extended to pharmaceuticals, nutraceuticals, and Ayurvedic medicines, along with trading and supply chain management. He holds a Bachelor of Pharmacy degree from Gujarat University and an MBA in International Business from the University of Greenwich, London, which has enhanced his business acumen. With over 12 years of experience in the pharmaceutical industry, he has developed a strategic vision for expanding into regulatory markets within the sector.

##### **MR. HARSHAD NANUBHAI RATHOD (EXECUTIVE DIRECTOR)**

Mr. Harshad Nanubhai Rathod (DIN: 09108392), aged 38, is an Executive Director and CFO on our company. He holds a Bachelor's degree in Pharmacy from Gujarat University and an MBA from Madhyanchal Professional University, Bhopal. With over 14 years of experience, he previously served as Marketing Head at Recspeed Healthcare and currently is Executive Director and CFO of Accretion Pharmaceuticals Limited. He holds a Bachelor of Pharmacy degree from Gujarat University and an MBA in International Business from Madhyanchal Professional University, Bhopal. He is known for his, Mr. Rathod is a strategic thinker and is instrumental in identifying growth opportunities for our business. He is instrumental in providing valuable financial advice and guidance to the company's management team. With extensive experience in the pharmaceutical sector, he also excels as a leader and motivator within our team.

**MR. VIVEK ASHOK KUMAR PATEL, (MANAGING DIRECTOR)**

Mr. Vivek Ashok Kumar Patel (DIN: 09130357), aged 36, serves as the Managing Director of our company. He has completed his MBA in Pharma from DY Patil Institute in Mumbai. Vivek gained hands-on experience in pharmaceutical manufacturing during his training at Alive Pharma, Ahmedabad, which inspired him to elevate his career by pursuing MBA in Pharma. Following his MBA, he donned marketing role, spending three years as a Marketing Executive at Merck Ltd, a German multinational corporation, in the Ahmedabad region. During his tenure at Merck, Vivek acquired valuable insights into marketing, logistics, and finance. With over 14 years of diversified experience in both production and marketing within the pharmaceutical industry, Vivek brings a wealth of knowledge and expertise to our organization.

**MR. HARDIK MUKUNDBHAI PRAJAPATI, (EXECUTIVE DIRECTOR)**

Mr. Hardik Mukundbhai Prajapati (DIN: 09108403), aged 36, serves as an Executive Director in our company. He completed his B.Pharm from LJIP, Ahmedabad, and gained valuable experience in the manufacturing sector at Lincoln Pharmaceuticals Ltd, known for manufacturing and exporting pharmaceutical dosage forms. During this time, he also prepared for the GPAT (Graduate Pharmacy Aptitude Test) to further his studies in formulations and subsequently pursued a Master's in Pharmacy at GTU (Gujarat Technological University). His master's project focused on the formulation and development of controlled porosity osmotic pump tablets, which was published in "Inventi Journals" on 27/06/2012.

After completing his master's degree, Hardik, along with Harshad Rathod, co-founded Recspeed Healthcare, operating across Gujarat, and actively worked towards establishing a manufacturing unit. Hardik brings over 14 years of experience in pharmaceutical production to our organization.

**MS. GRISHMA SHEWALE, INDEPENDENT DIRECTOR**

Ms. Grishma Shewale (DIN: 10685826), aged approximately 32 years, serves as a Non-Executive Independent Director in our Company. She joined the Board on July 9, 2024. With over 9 years of experience in the core secretarial, compliance and legal filed, Ms. Shewale holds Bachelor's and Master's degrees in Commerce, as well as a Bachelor of Legislative Law (LL.B.) degree. Additionally, she is a qualified Company Secretary from the Institute of Company Secretaries of India.

### **MR. VIJAY BHARATBHAI ANADKAT, INDEPENDENT DIRECTOR**

Mr. Vijay Anadkat (DIN: 09578670) aged 36, is a Non-Executive Independent Director in our Company. He is an Associate member of the Institute of Companies Secretaries of India and practicing as Company Secretary since June 14, 2013. He is proactive in the consulting of Financial Restructuring, Corporate Restructuring, Merger Amalgamation and Slump Sale. He has handled matters concerned to Reserve Bank of India and SEBI. He is also actively involved in the structuring of the companies such as Nidhi Companies, Non-Banking Finance Companies, Sec 8 Companies, Foreign companies as well as Managing IPO and FPO and Fund Raising.

He has a wide experience of 8 Years in the field of Consultancy related to corporate Structure which includes advisory related to listing whether SME or Main Board, Banking Structuring, IPR (Trademark, Design, Copyright, Patent). He is also a counselor to Government and Semi Government Companies.

### **MR. SHYAM BHADRESH KAPADIA, INDEPENDENT DIRECTOR**

Mr. Shyam Bhadresh Kapadia (DIN: 10672090) aged 33, is a Non-Executive Independent Director in our Company. He is an accomplished Company Secretary holding Fellow Membership of the Institute of Company Secretaries of India. He also holds a Bachelor of Laws degree. With over six years of comprehensive practical experience in Secretarial and Legal Compliance, Capital Markets, and Securities Laws, he brings a wealth of knowledge to his role. Additionally, he holds certifications as a Certified CSR Professional and in Securities Laws from The Institute of Company Secretaries of India.

Currently, Mr. Kapadia is the Company Secretary & Compliance Officer of Steamhouse India Limited, where he has been rendering his services since July 2022. Prior to this, between 2018 and 2022, he worked at esteemed organizations such as Laxmi Diamond Private Limited, Bigbloc Construction Limited (Main Board BSE & NSE Listed Company), and Kaushik Nahar & Associates in similar capacities.

He acts as the primary point of contact for shareholders, regulators, and other stakeholders on governance-related matters, facilitating seamless communication between the board, management, and external parties, thereby ensuring transparency and effective stakeholder engagement.

#### **Details of current and past directorship(s) of the above Directors in listed companies whose shares have been/were suspended from being traded on any of the stock exchanges, during his/her tenure**

None of our Directors is or was a director of any company listed on any stock exchange, whose shares have been or were suspended from being traded during the five years preceding the date of this Draft Red Herring Prospectus, during the term of his/her directorship in such company.

#### **Details of current and past directorship(s) of the above Directors in listed companies which have been/ were delisted from the stock exchange(s), during his/her tenure**

None of our Directors is, or was a director of any listed company, which has been or was delisted from any stock exchange, during the term of his/her directorship in such company.

#### **Nature of any family relationship between any of the directors or any of the directors and key**

**managerial personnel.**

There is no family relationship between any of the Directors or any of the Directors and Key Managerial Personnel of the Company.

**Details of arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which of the Directors was selected as a director or member of senior management.**

None of our Directors have been appointed or selected pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

**Details of service contracts entered into by the directors with the Company providing for benefits upon termination of employment**

There are no service contracts entered into by the directors with the Company providing for benefits upon termination of employment.

**Details of Borrowing Powers**

In accordance with the Articles of Association and subject to the provisions of the Companies Act, 2013 our Board is authorized, pursuant to a resolution of the shareholders of our Company passed on July 13, 2024, to borrow from time to time such sum or sums of money from bank/financial institutions or any other person, firms or body corporate, whether by way of cash credit, advance or deposits, loans, debentures or bill discounting or otherwise, whether secured or unsecured, convertible or non-convertible, as they may deem fit notwithstanding however, that the total borrowings exceed the aggregate of paid up capital and free reserves of the company, provided however that the aggregate of amounts so borrowed and outstanding at any one ( apart from temporary loans obtained from the company's bankers in the ordinary course of business) shall not exceed an amount of Rs. 1,00,00,00,000/ (Rupees One Hundred Crores only) at any point in time, in its absolute discretion deem beneficial and in the best interest of the Company.

**Compensation of Managing Directors and/or Whole-time Directors**

Mr. Vivek Ashok Kumar Patel (DIN: 09130357), was appointed as Managing Director of our Company w.e.f July 9, 2024. The remuneration and other terms and conditions of appointment are given below:

1. Salary of Rs. 2,00,000 (Rupees Two Lakhs only) per month.
2. No sitting fees will be paid for attending the meetings of Board of Directors or committee thereof.

Mr. Mayur Popatlal Sojitra (DIN: 09108404), is acting as a Director of our Company since inception. In terms of resolution passed by the Board of Directors of the Company in their meeting held on July 09, 2024, Mr. Mayur Popatlal Sojitra, he is entitled to remuneration w.e.f July 09, 2024. The remuneration and other terms and conditions of appointment are given below:

1. Salary of Rs. 2,00,000 (Rupees Two Lakhs only) per month.
2. No sitting fees will be paid for attending the meetings of Board of Directors or committee

thereof.

Mr. Harshad Nanubhai Rathod (DIN: 09108392), is acting as a Director of our Company since inception. In terms of resolution passed by the Board of Directors of the Company in their meeting held on July 09, 2024, Mr. Harshad Nanubhai Rathod, he is entitled to remuneration w.e.f July 09, 2024. The remuneration and other terms and conditions of appointment are given below:

1. Salary of Rs. 2,00,000 (Rupees Two Lakhs only) per month.
2. No sitting fees will be paid for attending the meetings of Board of Directors or committee thereof.

Mr. Hardik Mukundbhai Prajapati (DIN: 09108403), is acting as a Director of our Company since inception. In terms of resolution passed by the Board of Directors of the Company in their meeting held on July 09, 2024, Mr. Hardik Mukundbhai Prajapati, he is entitled to remuneration w.e.f July 09, 2024. The remuneration and other terms and conditions of appointment are given below:

1. Salary of Rs. 2,00,000 (Rupees Two Lakhs only) per month.
2. No sitting fees will be paid for attending the meetings of Board of Directors or committee thereof.

#### **Sitting fees to Non-Executive Directors and Independent Directors**

Other Non-Executive Directors and Independent Directors of the Company may be paid sitting fees, commission and any other amounts as may be decided by our Board in accordance with the provisions of the Articles of Association, the Companies Act, 2013 and other applicable laws and regulations.

**Remuneration paid to our Non-Executive Directors and Non-Executive Independent Director during the financial year 2023-24: Nil**

#### **Bonus or profit-sharing plan for our Directors**

Our Company does not have any bonus or profit-sharing plan for our Directors.

#### **Shareholding of the Directors**

S. No.	Name	No. of Shares Held	% of Holding
1.	Mayur Popatlal Sojitra	19,66,500	24.07%
2.	Harshad Nanubhai Rathod	19,66,500	24.07%
3.	Vivek Ashok Kumar Patel	19,66,500	24.07%
4.	Hardik Mukundbhai Prajapati	19,66,500	24.07%

As on the date of this Draft Red Herring Prospectus, none of the Independent Directors of Company hold any Equity Shares in our Company.

#### **Qualification Shares required to be held by Directors**

Our Articles of Association do not require our Directors to hold qualification shares.

## Interest of Directors

### *Interest in promotion of our Company*

Except as stated in the section titled “Promoter and Promoter Group” beginning on page 216, our Directors have no interest in the promotion of our Company as of the date of this Draft Red Herring Prospectus, except in the ordinary course of business.

### *Interest in property*

None of our Directors have any interest in any property acquired by our Company within the two years preceding the date of this Draft Red Herring Prospectus, or proposed to be acquired by our Company:

Apart from above, all the Directors may be deemed to be interested to the extent of fees payable to them, if any, for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them, if any, under the Articles of Association, and to the extent of remuneration paid to them, if any for services rendered as an officer or employee of the Company.

The Directors may also be regarded as interested in the Equity Shares, if any, held by them or by the companies/firms/ventures promoted by them or that may be subscribed by or allotted to the companies, firms, trusts, in which they are interested as Directors, members, partners, trustees and Promoter, pursuant to this Issue. All of the Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as stated in the section titled “Related Party Transactions” on page 229 of this Draft Red Herring Prospectus, the Directors do not have any other interest in the business of the Company.

The Company has not entered into any other contract, agreement or arrangement during the preceding two years from the date of the Draft Red Herring Prospectus in which the directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them other than contracts in the normal course of business and being permitted as per the current rules and regulations governing the same.

## Changes in the Board of Directors in the last 3 years

The following are the changes in the Board of Directors in the last 3 years. To maintain brevity and to avoid any confusion, this table does not enumerate the instances where the Status or Designation of the Director has been changed or when the appointment of an Additional Director has been regularized.

S. No	Name, Address & DIN	Date of Appointment	Date of Cessation	Reason
1.	Harshad Nanubhai Rathod 402- Vasundhara	November 29, 2023	NA	First Director at the time of incorporation

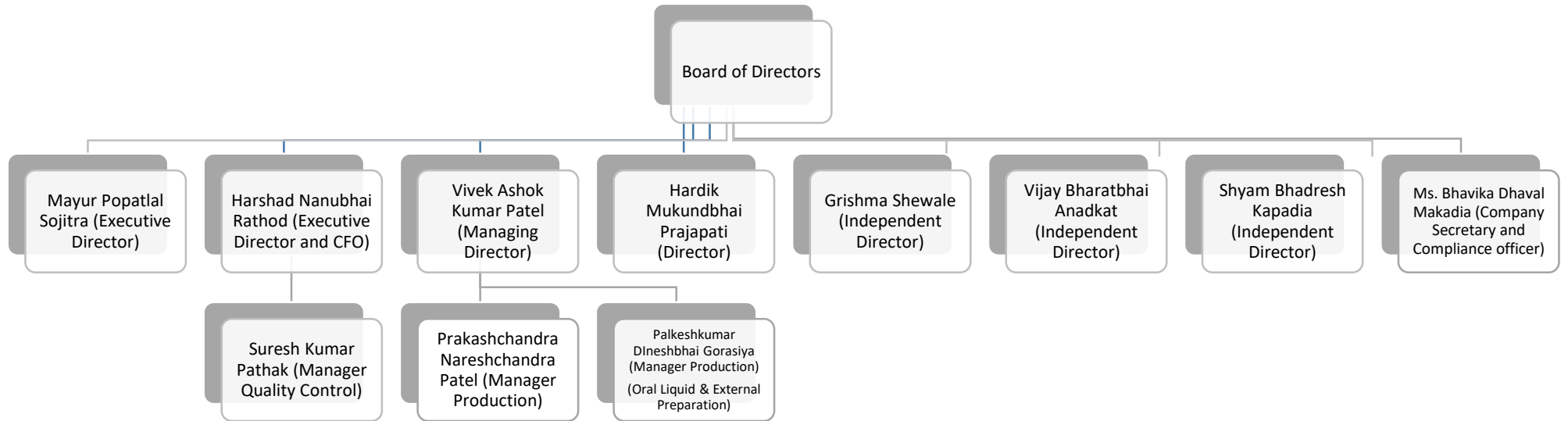
	Appartment, 12-Jain Society, Pritamnagar, Ellisbridge, Ahmedabad, Gujarat - 380001 DIN: 09108392			for the Company
2.	<b>Vivek Ashok Kumar Patel</b> 801, Heritage Opus, Opp. Auda Lake, Prahladnagar, Ahmedabad, Gujarat - 380015 DIN: 09130357	November 29, 2023	NA	First Director at the time of incorporation for the Company
3.	<b>Mayur Popatlal Sojitra</b> A-9, Aagman Apartment, Near Sambhav Press, Premchandnagar Road, Ahmedabad, Gujarat - 380054 DIN: 09108s404	November 29, 2023	NA	First Director at the time of incorporation for the Company
4.	<b>Hardik Mukundbhai Prajapati</b> B/84 C.P. Colony Part 1, Bhuyang Cross Road, Ahmadabad City, Ghatlodia, Ahmadabad, Gujarat- 380061 DIN: 09108403	November 29, 2023	NA	First Director at the time of incorporation for the Company
5.	<b>Vivek Ashok Kumar Patel</b> 801, Heritage Opus, Opp. Auda Lake, Prahladnagar, Ahmedabad, Gujarat - 380015 DIN: 09130357	July 09, 2024	NA	Appointed as Managing Director of the Company
6.	<b>Grishma Shewale</b> 9, Ashirwad Society, Ajwa Road, Vadodara-390019, Gujarat DIN: 10685826	July 09, 2024	NA	Appointment as Additional Independent Director
7.	<b>Vijay Bharatbhai Anadkat</b> 602, Aashirvad apartment, University road, opposite Metro restaurant, Rajkot, Gujarat - 360007 DIN: 09578670	July 09, 2024	NA	Appointment as Additional Independent Director
8.	<b>Shyam Bhadresh Kapadia</b> 32, Aagam Heritage, Near Someshwara Enclae,	July 09, 2024	NA	Appointment as Additional Independent Director

	University Road, Vesu, Gujarat - 395007 DIN: 10672090			
9.	<b>Grishma Shewale</b> 9, Ashirwad Society, Ajwa Road, Vadodara-390019, Gujarat DIN: 10685826	July 13, 2024	NA	Appointment as Independent Director
10	<b>Vijay Bharatbhai Anadkat</b> 602, Aashirvad apartment, University road, opposite Metro restaurant, Rajkot, Gujarat - 360007 DIN: 09578670	July 13, 2024	NA	Appointment as Independent Director
11	<b>Shyam Bhadresh Kapadia</b> 32, Aagam Heritage, Near Someshwara Enclae, University Road, Vesu, Gujarat - 395007 DIN: 10672090	July 13, 2024	NA	Appointment as Independent Director

*This Section has been left blank intentionally*



## MANAGEMENT ORGANISATION STRUCTURE



## CORPORATE GOVERNANCE

Our Company is coming with this issue in terms of Chapter IX of the SEBI ICDR Regulations, and would consequently be listed on the SME Platform of the National Stock Exchange of India Limited/NSE Emerge, subject to receipt of necessary approvals. Post listing, the Company would be subject to compliance with the provisions contained under SEBI LODR Regulations, in addition to the applicable provisions contained under the Companies Act, 2013. It may be noted that in terms of provisions contained under Regulation 15(2)(a) of the SEBI LODR Regulations, the Company is not under obligation to comply with the corporate governance provisions as specified in regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the SEBI LODR Regulations. However, we have ensured compliance with requisite provisions of the applicable legislations, as far as the constitution of our Board and Committee thereof is concerned.

Currently, our Board has 7 (seven) Directors. We have three Independent Directors, in addition to one Woman and two Non-Executive Independent Director. Further, at least two-third of our Directors, other than our Independent Directors are liable to retire by rotation.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements under the SEBI LODR Regulations and the Companies Act, 2013.

### Committees of the Board

In terms of SEBI LODR Regulations and the provisions of the Companies Act, 2013, our Company has following committees of the Board:

#### A) AUDIT COMMITTEE

Our Company has constituted an audit committee ("Audit Committee"), as per the provisions of Section 177 of the Companies Act, 2013 vide resolution passed in the meeting of the Board of Directors held on July 17, 2024.

#### Composition of the Audit Committee

The committee presently comprises the following directors:

Sr. No.	Name of Director	Position	Nature of Directorship
1.	Vijay Bharatbhai Anadkat	Member	Independent Non-Executive Director
2.	Harshad Nanubhai Rathod	Member	Executive Director, Chairman & CFO
3.	Shyam Bhadrash Kapadia	Chairman	Independent Non-Executive Director
4.	Grishma A Shewale	Member	Independent Non-Executive Director

Ms. Bhavika Makadia Dhaval, the Company Secretary of our Company acts as the Secretary of the Audit Committee.

### **Terms of Reference of Audit Committee:**

- 1) Recommendation for appointment, remuneration, and terms of appointment of auditors of the Company;
- 2) Review and monitor the auditor's independence and performance, and effectiveness of audit process; Examination and reviewing of the financial statement and the auditors' report thereon before submission to the Board for approval.
- 3) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of Sub: Section 3) of Section 134 of the Act;
  - I. Changes, if any, in accounting policies and practices and reasons for the same;
  - II. Major accounting entries involving estimates based on the exercise of judgment by management;
  - III. Significant adjustments made in the financial statements arising out of audit findings;
  - IV. Compliance with listing and other legal requirements relating to financial statements;
  - V. Disclosure of any related party transactions;
  - VI. Qualifications in the draft audit report;
- 4) Examination and reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- 5) Approval or any subsequent modification of transactions of the Company with related parties;
- 6) Scrutiny of inter-corporate loans and investments;
- 7) Valuation of undertakings or assets of the Company, wherever it is necessary;
- 8) Evaluation of internal financial controls and risk management systems;
- 9) Monitoring the end use of funds raised through public offers and related matters; Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient, and credible;
- 10) Reviewing, with the management, the performance of statutory and internal auditors, adequacy of the internal control systems;
- 11) Reviewing the adequacy of the 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;
- 12) Discussion with internal auditors of any significant findings and follow up thereon;
- 13) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

- 14) Review, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- 15) 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;
- 16) Approve payment to statutory auditors for any other services rendered by the statutory auditors;
- 17) Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 18) Approval of appointment of Chief Financial Officer (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;
- 19) Oversee the procedures and processes established to attend to issues relating to the maintenance of books of accounts, administrations procedures, transactions and other matters having a bearing on the financial position of our company, whether raised by the auditors and by any other person;
- 20) Act as a compliance committee to discuss the level of compliance in our Company and any associated risks and to monitor and report to the Board on any significant compliance breaches;
- 21) Reviewing the Management discussion and analysis of financial condition and results of operations;
- 22) Reviewing the Management letters/letters of internal control weaknesses issued by the statutory auditors;
- 23) Reviewing the Internal audit reports relating to internal control weaknesses;
- 24) Reviewing the appointment, removal, and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
- 25) Reviewing the functioning of the Whistle Blower mechanism;
- 26) Reviewing/ redressal of complaint/s under the Sexual Harassment of Women at Workplace (Prohibition, Prevention & Redressal) Act, 2013;
- 27) Subject to and conditional upon approval of our Board, approval of related party transactions or subsequent modifications thereto. Such approval can be in the form of omnibus approval of related party transactions, subject to conditions not inconsistent with the conditions specified in Regulation 23(2) and Regulation 23(3) of the SEBI LODR Regulations;

- 28) Establishment of a vigil mechanism for directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct or ethics policy in such manner as may be prescribed, which shall also provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairman of the Audit Committee in appropriate or exceptional cases;
- 29) Review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crores 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;
- 30) Such other functions/ activities as may be assigned/ delegated from time to time by the Board of Directors of the Company and/ or under the provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and SEBI (LODR) Regulations.

## **B) NOMINATION AND REMUNERATION COMMITTEE**

In compliance with section 178(1) of the Companies Act, our Company has constituted a Nomination and Remuneration Committee vide resolution passed by the Board of Directors of our Company at its Meeting held on July 17, 2024.

### **Composition of Nomination and Remuneration Committee**

The committee presently comprises the following directors:

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Position</b>	<b>Nature of Directorship</b>
1.	Shyam Bhadresh Kapadia	Chairperson	Independent Non-Executive Director
2.	Vijay Bharatbhai Anadkat	Member	Independent Non-Executive Director
3.	Grishma A. Shewale	Member	Independent Non-Executive Women Director
4.	Harshad Nanubhai Rathod	Member	Executive Director, Chairman & CFO

Ms. Bhavika Makadia Dhaval the Company Secretary of our Company acts as the Secretary of the Nomination and Remuneration Committee.

### **Terms of Reference of Nomination and Remuneration Committee**

- 1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- 2) Formulation of criteria for evaluation of Independent Directors and the Board;
- 3) Devising a policy on Board diversity;

- 4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal and shall carry out evaluation of every director's performance;
- 5) Determining, reviewing and recommending to the Board, the remuneration of the Company's Managing/ Joint Managing/ Deputy Managing/ Whole time/ Executive Director(s), including all elements of remuneration package;
- 6) To ensure that the relationship of remuneration to perform is clear and meets appropriate performance benchmarks;
- 7) Formulating, implementing, supervising and administering the terms and conditions of the Employee Stock Option Scheme, Employee Stock Purchase Scheme, whether present or prospective, pursuant to the applicable statutory/regulatory guidelines;
- 8) Carrying out any other functions as authorized by the Board from time to time or as enforced by statutory/ regulatory authorities;
- 9) Formulating and recommending to the Board of Directors for its approval and also to review from time to time, a nomination and remuneration policy or processes, as may be required pursuant to the provisions of the Companies; Engaging the services of any consultant/professional or other agency for the purpose of recommending compensation structure / policy;

### **C) STAKEHOLDERS RELATIONSHIP COMMITTEE**

In compliance with Section 178 of the Companies Act, our Company has constituted a stakeholders relationship committee ("Stakeholders Relationship Committee") vide resolution passed at the meeting of the Board held on July 17, 2024.

#### **Composition of Stakeholders Relationship Committee**

The committee presently comprises the following directors

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Position</b>	<b>Nature of Directorship</b>
<b>1.</b>	Shyam Bhadresh Kapadia	Chairman	Independent Non-Executive Director
<b>2.</b>	Vijay Bharatbhai Anadkat	Member	Independent Non-Executive Director
<b>3.</b>	Grishma A. Shewale	Member	Independent Non-Executive Women Director
<b>4.</b>	Harshad Nanubhai Rathod	Member	Executive Director, Chairman & CFO

Ms. Bhavika Makadia Dhaval the Company Secretary of our Company acts as the Secretary of the Stakeholders Relationship Committee.

#### **Terms of Reference of Stakeholders Relationship Committee**

- 1) Considering and resolving the grievance of security holders of the Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends;

- 2) Monitoring transfers, transmissions, dematerialization, rematerialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer / transmission of shares and debentures;
- 3) Reference to statutory and regulatory authorities regarding investor grievances;
- 4) To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- 5) Such other functions / activities as may be assigned / delegated from time to time by the Board of Directors of the Company and/or pursuant to the Provisions of the Act read with SEBI (LODR) Regulations, 2015.

#### **D) Corporate Social Responsibility Committee**

In compliance with Section 135 of the Companies Act, 2013, our Company has constituted a Corporate Social Responsibility Committee ("Corporate Social Responsibility Committee") vide resolution passed at the meeting of the Board held on July 17, 2024.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Position</b>	<b>Nature of Directorship</b>
1.	Vivek Ashok Kumar Patel	Chairman	Non-Independent Managing Director
2.	Harshad Nanubhai Rathod	Member	Executive Director, Chairman & CFO
3.	Vijay Bharatbhai Anadkat	Member	Independent Non-Executive Director
4.	Hardik Mukundbhai Prajapati	Member	Non-Independent Executive Director

Ms. Bhavika Makadia Dhaval the Company Secretary of our Company acts as the Secretary of the Stakeholders Relationship Committee.

#### **The terms of reference of the Corporate Social Responsibility Committee**

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 the activities related to CSR;
3. To monitor the Corporate Social Responsibility Policy of the Company from time to time; and
4. To implement and monitor the environmental, social and governance activities undertaken by the Company

#### **E) IPO COMMITTEE**

The IPO Committee was constituted vide resolution passed by the Board of Directors of our Company at its meeting held on July 17, 2024. The IPO Committee has been constituted for the purpose of taking all necessary steps in relation to the proposed initial public offer.

However, in exceptional circumstances where it is not possible for the members of the IPO committee to meet due to any unforeseen circumstances like want of quorum, or any other reason, Mr. Vivek Ashok Kumar Patel, Managing Director of the Company shall have absolute power to take all decisions

in relation to the proposed IPO including but not limited to the power to withdraw the proposed issue and exercising all the powers vested in the IPO Committee.

### Composition of IPO Committee

The committee presently comprises the following directors:

Sr. No	Name of the Director	Position	Nature of Directorship
1.	Vivek Ashok Kumar Patel	Chairperson	Non-Independent Managing Director
2.	Harshad Nanubhai Rathod	Member	Executive Director and CFO
3.	Hardik Mukundbhai Prajapati	Member	Non-Independent Non-Executive Director
4.	Mayur Popatlal Sojitra	Member	Non-Independent Non-Executive Director

Ms. Bhavika Dhaval Makadia, the Company Secretary of our Company acts as the Secretary of the IPO Committee.

**Scope and terms of reference:** The IPO Committee exercises powers in relation to the matters listed below:

The IPO Committee exercises powers in relation to the matters listed below:

To take all steps and to do all acts, deeds, matters and things and to sign all documents, agreements, contracts, deeds, documents, declarations, affidavits, undertakings, appointment letters, applications, forms and papers, amongst others, and also to take decisions and issue clarifications on all issues and matters in connection with the Issue including but not limited to the following:

1. Positioning of the initial public offering including appointing all intermediaries for the Issue including Lead Managers, Legal Advisor, Registrar to the Issue, Bankers to the Issue, Underwriters, Market Makers, Printers, Advertising Agency among others, and approval of expenses related thereto;
2. Finalizing the time-lines for the Issue in consultation with the Lead Manager and other concerned intermediaries;
3. Ensuring and finalizing all disclosures to be made in the Draft Red Herring Prospectus, and the Prospectus to be filed with SEBI and the RoC as per the requirements of the SEBI ICDR Regulations, 2018, Companies Act and other applicable laws;
4. Deciding the capital structure of the Company including the size of the Issue, in consultation with the Lead Manager, among others;
5. Deciding the objects of the Issue, the use of the Issue proceeds and the deployment of funds raised in the Issue and changes therein, if any, among others;
6. Deciding the Issue Price and other terms of the Issue in consultation with the Lead Manager;



7. Finalizing and approving the Issue expenses in consultation with the Lead Manager;
8. Filing of applications to the stock exchanges for obtaining “in-principle approval” and listing of the shares, among others and ensuring compliance with the Listing Agreement with stock exchange including constituting the various committees as per LODR regulations; and Taking decisions on and resolving all such questions, difficulties on all matters in relation to the proposed Issue and offer for sale, issuing explanations and clarifications to SEBI, the RBI, the stock exchange, the RoC, and all other regulatory authorities and government offices, among others, in connection with any matter relating to disclosures in the Draft Red Herring Prospectus and the Prospectus, or any other matter, issue and grievance related to or incidental with the Issue or listing of the shares of the Company, among others.

#### KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

Our Company is managed by its Board of Directors, assisted by qualified professionals, in the respective field of production/finance/ distribution/marketing and corporate laws.

The following Key Managerial Personnel and Senior Management assist the management of our Company:

S. No	Name, Designation, Qualification	Date of Joining	Age (Yrs)	Term of office with date of expiration of term	Details of service contracts including termination/retirement benefits	Experience (yrs)	Previous Employment
1.	<p><b>Name:</b> Vivek Ashok Kumar Patel</p> <p><b>Designation:</b> Managing Director</p> <p><b>Qualification:</b> Bachelor in Pharmacy (LJIP, Ahmedabad) &amp; MBA (Pharma) from a premier institute DY Patil Mumbai.</p>	July 09, 2024	36 Years	Date of expiration of term of office: July 09, 2029 (i.e. 5 years from date of appointment)	NA	More than 14 years	Partner M/s Accretion Pharmaceuticals
2.	<p><b>Name:</b> Harshad Nanubhai Rathod</p> <p><b>Designation:</b> CFO</p> <p><b>Qualification:</b> Bachelor</p>	July 09, 2024	38 years	As per Company Rules	NA	14+ years	Partner M/s Accretion Pharmaceuticals

	in Pharmacy from Gujarat University & MBA from Madhyanchal professional university, Bhopal.						
3.	<p><b>Name:</b> Bhavika Dhaval Makadia</p> <p><b>Designation:</b> Company Secretary and compliance officer</p> <p><b>Qualification:</b> Company Secretary and B.com</p>	July 09, 2024	28 years	As Per Company Rules	NA	4 years	Pankaj International Private Limited
4.	<p><b>Name:</b> Suresh Kumar Pathak</p> <p><b>Designation:</b> Manager Quality Control</p> <p><b>Qualification:</b> B.Sc. (P.C.M.)</p>	May 01, 2020	50 Years	As Per Company Rules	NA	27 years	Tuttsan Pharma Pvt. Ltd.
5.	<p><b>Name:</b> Prakashchandra Nareshchandra Patel</p> <p><b>Designation:</b> Manager Production</p> <p><b>Qualification:</b> B.SC. (Chemistry)</p>	April 01, 2022	55 Years	As Per Company Rules	NA	30 years	Tulbros Formulations
6.	<p><b>Name:</b> Palkeshkumar Dineshbhai Gorasiya</p> <p><b>Designation:</b> Manager Production (Oral Liquid &amp; External Preparation)</p> <p><b>Qualification:</b> B. Pharma</p>	May 01, 2017	33 Years	As Per Company Rules	NA	10 Years	Zillion Pharmachem Odhav

## **Brief Profile of Key Managerial Personnel and Senior Management**

### **MR. VIVEK ASHOK KUMAR PATEL, (MANAGING DIRECTOR)**

Mr. Vivek Ashok Kumar Patel (DIN: 09130357), aged 36, serves as the Managing Director of our company. He has completed his MBA in Pharma from DY Patil Institute in Mumbai. Vivek gained hands-on experience in pharmaceutical manufacturing during his training at Alive Pharma, Ahmedabad, which inspired him to elevate his career by pursuing MBA in Pharma. Following his MBA, he donned a marketing role, spending three years as a Marketing Executive at Merck Ltd, a German multinational corporation, in the Ahmedabad region. During his tenure at Merck, Vivek acquired valuable insights into marketing, logistics, and finance. With over 14 years of diversified experience in both production and marketing within the pharmaceutical industry, Vivek brings a wealth of knowledge and expertise to our organization.

During the financial year 2023-24, he received a combined salary and Directors remuneration of Rs. 4.25 Lakhs per annum through the erstwhile partnership firm, which was converted into our Company w.e.f. November 29, 2024 and our Company. Except as stated herein above, no salary, compensation or benefits in kind were granted by the erstwhile firm to Mr. Vivek Ashok Kumar Patel, during the financial year 2023-24.

### **MR. HARSHAD NANUBHAI RATHOD (CFO)**

Mr. Harshad Nanubhai Rathod (DIN: 09108392), aged 38, is an Executive Director and CFO on our company. He holds a Bachelor's degree in Pharmacy from Gujarat University and an MBA from Madhyanchal Professional University, Bhopal. With over 14 years of experience, he previously served as Marketing Head at Recspeed Healthcare and currently is Executive Director and CFO of Accretion Pharmaceuticals Limited. He holds a Bachelor of Pharmacy degree from Gujarat University and an MBA in International Business from Madhyanchal Professional University, Bhopal. He is known for his, Mr. Rathod is a strategic thinker and is instrumental in identifying growth opportunities for our business. He is instrumental in providing valuable financial advice and guidance to the company's management team. With extensive experience in the pharmaceutical sector, he also excels as a leader and motivator within our team.

During the financial year 2023-24, he received a combined salary and Directors remuneration of Rs. 4.25 Lakhs per annum through the erstwhile partnership firm, which was converted into our Company w.e.f. November 29, 2024 and our Company. Except as stated herein above, no salary, compensation or benefits in kind were granted by the erstwhile firm to Mr. Harshad Nanubhai Rathod, during the financial year 2023-24.

### **Ms. (Bhavika Dhaval Makadia), Company Secretary and Compliance Officer**

Ms. Bhavika Dhaval Makadia, aged about 28 years, is a graduate in Commerce and is a member of the Institute of Company Secretaries of India, she possesses more than 4 years of experience in compliance and secretarial field. She joined the Company as Company Secretary and Compliance Officer on July 09, 2024. Prior to her employment with the Company, she was working as Company Secretary with Pankaj International Private Limited. She advises the Board of Directors relating to the legal risk and ensures that the Company complies with all the applicable statutory regulations. No

Salary, compensation or benefits in kind were granted or paid by the Company to Ms. Bhavika Dhaval Makadia, during the financial year 2023-24, as she was recently appointed as Company Secretary and Compliance Officer of the Company.

### **SENIOR MANAGEMENT PERSON**

#### **Mr. Suresh Kumar Pathak, Manager Quality Control**

Suresh Kumar Pathak is an accomplished professional with extensive experience in the field of Quality Control. At 50 years old, he brings 27 years of valuable expertise to his role as a Manager of Quality Control. His educational background includes a Bachelor of Science degree with a focus on Physics, Chemistry, and Mathematics (P.C.M.), which has provided him with a solid foundation in analytical and technical skills essential for quality management.

During the financial year 2023-24, he received a salary of Rs. 6,49,506 per annum through the Accretion Pharmaceuticals, which was converted into our Company w.e.f. November 29, 2023. Except as stated herein above, no salary, compensation or benefits in kind were granted by the erstwhile firm to Mr Suresh Kumar Pathak, during the financial year 2023-24.

#### **Mr. Prakashchandra Nareshchandra Patel, Manager Production**

Prakashchandra Nareshchandra Patel is a highly experienced Manager of Production with 30 years of industry experience. At 55 years old, he has spent a significant portion of his career mastering the intricacies of production management.

He holds a Bachelor of Science degree in Chemistry, which has provided him with a strong technical foundation crucial for overseeing production processes. His background in chemistry equips him with a detailed understanding of chemical processes, quality control, and safety standards, all of which are essential in managing production operations effectively.

During the financial year 2023-24, he received a salary of Rs. 7,13,895 per annum through the Accretion Pharmaceuticals, which was converted into our Company w.e.f. November 29, 2023. Except as stated herein above, no salary, compensation or benefits in kind were granted by the erstwhile firm to Mr Prakashchandra Nareshchandra Patel, during the financial year 2023-24.

#### **Mr. Palkeshkumar Dineshbhai Gorasiya, Manager Production (Oral Liquid & External Preparation)**

Palkeshkumar Dineshbhai Gorasiya is a dedicated Manager of Production specializing in Oral Liquid and External Preparations, with 10 years of industry experience. At 33 years old, he brings a decade of expertise to his role, reflecting both a solid career foundation and a strong commitment to his field.

He holds a Bachelor of Pharmacy (B. Pharma) degree, which provides him with a thorough understanding of pharmaceutical manufacturing processes, including formulation, quality control, and compliance with regulatory standards. His educational background is particularly relevant to his role, as it supports his work in managing the production of oral liquid and external preparation products. Details of any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the key managerial personnel, was selected as a key managerial personnel

and Senior Management.

During the financial year 2023-24, he received a salary of Rs. 6,64,210 per annum through the Accretion Pharmaceuticals, which was converted into our Company w.e.f. November 29, 2023. Except as stated herein above, no salary, compensation or benefits in kind were granted by the erstwhile firm to Mr Palkeshkumar Dineshbhai Gorasiya, during the financial year 2023-24.

None of our Key Managerial Personnel and Senior Management have been selected pursuant to any arrangement or understanding with any major shareholders, customers, suppliers to our Company or others.

#### **Contingent and deferred compensation payable to our Key Managerial Personnel and Senior Management**

There is no contingent or deferred compensation payable to our Key Managerial Personnel and Senior Management which does not form part of their remuneration.

#### **Bonus or profit-sharing plan of the Key Managerial Personnel and Senior Management**

The Company does not have any bonus or profit-sharing plan for the Key Managerial Personnel and Senior Management.

**All the Key Managerial Personnel and Senior Management as stated above are Permanent employees of the Company.**

#### **Shareholding of Key Managerial Personnel and Senior Management**

Except as stated below, none of the Key Managerial Personnel and Senior Management have any shareholding in the Company:

<b>S. No.</b>	<b>Name of Key Managerial Personnel and Senior Management</b>	<b>No. of Shares held</b>
1.	Mr. Vivek Ashok Kumar Patel(Managing Director)	19,66,500
2.	Mr. Harshad Nanubhai Rathod (CFO)	19,66,500

#### **Nature of any family relationship between any of the Key Managerial Personnel and Senior Management:**

There is no relationship between our Key Managerial Personnel and Senior Management interests of Key Managerial Personnel and Senior Management.

#### **Interests of Key Managerial Personnel and Senior Management**

The Key Managerial Personnel and Senior Management do not have any interest in the Company other than to the extent of the remuneration, employee stock options held, if any, Equity Shares allotted under employee stock purchase scheme or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of

business. However, the Key Managerial Personnel may be deemed to be interested in the Company to the extent of their shareholding in the Company.

None of the key management personnel have been paid any consideration of any nature from the Company, other than their remuneration.

### Changes in the Key Management Personnel and Senior Management

The changes in the key management personnel and Senior Management in the last three years are as follows:

Sl. No.	Name	Date of		Reason
		Joining	Leaving	
1.	Patel Vivek Ashok Kumar (Managing Director)	July 09, 2024	Nil	Appointment as Managing Director
2.	Harshad Nanubhai Rathod (CFO)	July 09, 2024	Nil	Appointment as CFO
3.	Bhavika Dhaval Makadia (Company Secretary and Compliance officer)	July 09, 2024	Nil	Appointment as Company Secretary and Compliance officer
4.	Mr. Suresh Kumar Pathak, Manager Quality Control	May 01, 2020	Nil	Appointment as Manager of Quality Control
5.	Mr. Prakashchandra Nareshchandra Patel, Manager Production	April 01, 2022	Nil	Appointment as Manager Production
6.	Mr. Palkeshkumar Dineshbhai Gorasiya, Manager Production (Oral Liquid & External Preparation)	May 01, 2017	Nil	Appointment as Manager Production (Oral Liquid & External Preparation)

## **Employees**

### **Employee Stock Option Scheme and Employee Stock Purchase Scheme**

The Company does not have any Employee Stock Option Scheme or Employee Stock Purchase Scheme.

### **Other Benefits to the Officers of the Issuer Company**

Except for the payment of salaries and perquisites, no amount or benefit has been paid or given within the two preceding years or intended to be paid or given to any employee and there is no consideration for payment of giving of the benefit.

## OUR PROMOTERS AND PROMOTER GROUP

### Our Promoter

Mr. Vivek Ashok Kumar Patel, Mr. Harshad Nanubhai Rathod, Mr. Mayur Popatlal Sojitra and Mr. Hardik Mukundbhai Prajapati are the Promoters of our Company

For details of the build-up of our Promoters' shareholding in our Company, see the section titled "Capital Structure–Notes to Capital Structure" beginning on page 79.

The details of the Promoters are as follows:

### MR. VIVEK ASHOK KUMAR PATEL



<b>Date of Birth</b>	December 05, 1987
<b>Age</b>	36 Years
<b>Personal Address</b>	801, Heritage Opus, Opp. Auda Lake, Prahlad nagar- 380015. Ahmedabad, Gujarat - 380015
<b>Educational qualifications</b>	Bachelor in Pharmacy (LJIP, Ahmedabad) & MBA (Pharma) from a premier institute DY PATIL Mumbai.
<b>Experience in Business or Employment</b>	He has done his training at Alive Pharma, Ahmedabad, Merck Ltd (Germany based MNC) as Marketing Executive in Ahmedabad area for 3 years. He joined the accretion group since 2012.
<b>Positions or Posts held in past</b>	He was the Partner of M/s Accretion Pharmaceuticals, a Partnership firm
<b>Designation</b>	Managing Director
<b>Directorship held</b>	Please refer to the section "Our Management" beginning on page 187 of this Draft Red Herring Prospectus
<b>Other ventures</b>	For details of other ventures ,please refer to the sub-head "Promoter Group – Companies and entities" on page 216 of this Draft Red Herring Prospectus
<b>Special Achievement</b>	Nil
<b>Business and Financial Activities</b>	He is currently Managing Director of Accretion Pharmaceuticals Limited
<b>Permanent Account Number</b>	AOXPP1356D
<b>DIN</b>	09130357



**Profile:** Mr. Vivek Ashok Kumar Patel (DIN: 09130357), aged 36, serves as the Managing Director of our company. He has completed his MBA in Pharma from DY Patil Institute in Mumbai. Vivek gained hands-on experience in pharmaceutical manufacturing during his training at Alive Pharma, Ahmedabad, which inspired him to elevate his career by pursuing MBA in Pharma. Following his MBA, he donned marketing role, spending three years as a Marketing Executive at Merck Ltd, a German multinational corporation, in the Ahmedabad region. During his tenure at Merck, Vivek acquired valuable insights into marketing, logistics, and finance. With over 14 years of diversified experience in both production and marketing within the pharmaceutical industry, Vivek brings a wealth of knowledge and expertise to our organization.

Mr. Vivek Ashok Kumar Patel holds 19,66,500 Equity Shares, representing 24.07% of the pre-issue share capital and [●] % of the post-Issue share capital of the Company.

**Declaration:**

We hereby confirm that Permanent Account Number, Bank Account Number(s), Passport Number, Aadhaar Card Number and Driving License Number of Mr. Vivek Ashok Kumar Patel are being submitted to the Stock Exchange on which Equity Shares are proposed to be listed, at the time of filing of Draft Red Herring Prospectus with them.

**MR. HARSHAD NANUBHAI RATHOD**



<b>Date of Birth</b>	June 11, 1986
<b>Age</b>	38 Years
<b>Personal Address</b>	402- Vasundhara Appartment, 12-Jain Society, Pritamnagar, Ellisbridge, Ahmedabad, Gujarat – 380006
<b>Educational qualifications</b>	Bachelor in Pharmacy from Gujarat University & MBA from Madhyanchal professional university, Bhopal.
<b>Experience in Business or Employment</b>	Marketing Head in Recspeed Healthcare and Currently in Accretion group since 14 years.
<b>Positions or Posts held in past</b>	He was the partner of M/s Accretion Pharmaceuticals, a partnership firm.
<b>Designation</b>	Executive Director and CFO
<b>Directorship held</b>	Please refer to the section “Our Management” beginning on page 187 of this Draft Red Herring Prospectus

<b>Other ventures</b>	For details of other ventures, please refer to the sub-head “Promoter Group - Companies and entities” on page 216 of this Draft Red Herring Prospectus
<b>Special Achievement</b>	Nil
<b>Business and Financial Activities</b>	He is currently CFO and Executive Director of Accretion Pharmaceuticals Limited
<b>Permanent Account Number</b>	AOPPR4568B
<b>DIN</b>	09108392

**Profile:** Mr. Harshad Nanubhai Rathod (DIN: 09108392), aged 38, is an Executive Director and CFO on our company. He holds a Bachelor's degree in Pharmacy from Gujarat University and an MBA from Madhyanchal Professional University, Bhopal. With over 14 years of experience, he previously served as Marketing Head at Recspeed Healthcare and currently is Executive Director and CFO of Accretion Pharmaceuticals Limited. He holds a Bachelor of Pharmacy degree from Gujarat University and an MBA in International Business from Madhyanchal Professional University, Bhopal. He is known for his, Mr. Rathod is a strategic thinker and is instrumental in identifying growth opportunities for our business. He is instrumental in providing valuable financial advice and guidance to the company's management team. With extensive experience in the pharmaceutical sector, he also excels as a leader and motivator within our team.

Mr. Harshad Nanubhai Rathod holds 19,66,500 Equity Shares, representing 24.07% of the pre-issue share capital and has [●] % holding of the post-Issue share capital of the Company.

**Declaration:**

We hereby confirm that Permanent Account Number, Bank Account Number(s), Passport Number, Aadhaar Card Number and Driving License Number of Mr. Harshad Nanubhai Rathod are being submitted to the Stock Exchange on which Equity Shares are proposed to be listed, at the time of filing of Draft Red Herring Prospectus with them.

**MR. MAYUR POPATLAL SOJITRA**



<b>Date of Birth</b>	July 30, 1987
<b>Age</b>	37 Years
<b>Personal Address</b>	A, A-9, Aagman Apartment, Near Sambhav Press, Premchandnagar Road, , Ahmedabad, Gujarat - 380054
<b>Educational qualifications</b>	Bachelor of Pharmacy degree from Gujarat University & Honour MBA (International Business) from a university (University

	Greenwich, London)
<b>Experience in Business or Employment</b>	He has experience of 12 years in Pharmaceutical Industry
<b>Positions or Posts held in past</b>	He was the partner of M/s Accretion Pharmaceuticals, a partnership firm.
<b>Designation</b>	Executive Director
<b>Directorship held</b>	Please refer to the section "Our Management" beginning on page 187 of this Draft Red Herring Prospectus
<b>Other ventures</b>	For details of other ventures, please refer to the sub-head "Promoter Group - Companies and entities" on page 216 of this Draft Red Herring Prospectus
<b>Special Achievement</b>	Nil
<b>Business and Financial Activities</b>	He is currently an executive director of M/s Accretion Pharmaceuticals Limited and looking into the international Business aspects
<b>Permanent Account Number</b>	BWSPS0599F
<b>DIN</b>	09108404

**Profile:** Mr. Mayur Popatlal Sojitra (DIN: 09108404), 37 years old, is a Promoter and Executive Director of our Company. Previously, he was a Partner at M/s Accretion Pharmaceuticals, a firm engaged in manufacturing and trading a variety of pharmaceutical products, including tablets, capsules, liquids, and other forms. Their operations also extended to pharmaceuticals, nutraceuticals, and Ayurvedic medicines, along with trading and supply chain management. He holds a Bachelor of Pharmacy degree from Gujarat University and an MBA in International Business from the University of Greenwich, London, which has enhanced his business acumen. With over 12 years of experience in the pharmaceutical industry, he has developed a strategic vision for expanding into regulatory markets within the sector.

Mr. Mayur Popatlal Sojitra holds 19,66,500 Equity Shares, representing 24.07% of the pre-issue share capital and has [●] holding of the post-Issue share capital of the Company.

**Declaration:**

We hereby confirm that Permanent Account Number, Bank Account Number(s), Passport Number, Aadhaar Card Number and Driving License Number of Mr. Mayur Popatlal Sojitra are being submitted to the Stock Exchange on which Equity Shares are proposed to be listed, at the time of filing of Draft Red Herring Prospectus with them.

**MR. HARDIK MUKUNDBHAI PRAJAPATI**



<b>Date of Birth</b>	December 09, 1987
<b>Age</b>	36 Years
<b>Personal Address</b>	B/84 C.P. Colony Part 1, Bhuyang Cross Road, Ahmadabad City, Ghatlodia, Ahmadabad, Gujarat- 380061
<b>Educational qualifications</b>	B. pharm from LJIP Ahmadabad & Masters in Pharmacy.
<b>Experience in Business or Employment</b>	Manufacturing process at Lincoln pharmaceuticals Ltd & Marketing at Recspeed Healthcare
<b>Positions or Posts held in past</b>	He was the partner of M/s Accretion Pharmaceuticals, a partnership firm.
<b>Designation</b>	Executive Director
<b>Directorship held</b>	Please refer to the section "Our Management" beginning on page 187 of this Draft Red Herring Prospectus
<b>Other ventures</b>	For details of other ventures, please refer to the sub-head "Promoter Group - Companies and entities" on page 216 of this Draft Red Herring Prospectus
<b>Special Achievement</b>	Nil
<b>Business and Financial Activities</b>	He is currently an executive director of M/s Accretion Pharmaceuticals Limited
<b>Permanent Account Number</b>	AZYPP1475D
<b>DIN</b>	09108403

**Profile:** Mr. Hardik Mukundbhai Prajapati (DIN: 09108403), aged 36, serves as an Executive Director in our company. He completed his B.Pharm from LJIP, Ahmedabad, and gained valuable experience in the manufacturing sector at Lincoln Pharmaceuticals Ltd, known for manufacturing and exporting pharmaceutical dosage forms. During this time, he also prepared for the GPAT (Graduate Pharmacy Aptitude Test) to further his studies in formulations and subsequently pursued a Master's in Pharmacy at GTU (Gujarat Technological University). His master's project focused on the formulation and development of controlled porosity osmotic pump tablets, which was published in "Inventi Journals" on 27/06/2012.

After completing his master's degree, Hardik, along with Harshad Rathod, co-founded Recspeed Healthcare, operating across Gujarat, and actively worked towards establishing a manufacturing unit. Hardik brings over 14 years of experience in pharmaceutical production to our organization.

Mr. Hardik Mukundbhai Prajapati holds 19,66,500 Equity Shares, representing 24.07% of the pre-issue share capital and has [●] holding of the post-issue share capital of the Company.

**Declaration:**

We hereby confirm that Permanent Account Number, Bank Account Number(s), Passport Number, Aadhaar Card Number and Driving License Number of Mr. Hardik Mukundbhai Prajapati are being submitted to the Stock Exchange on which Equity Shares are proposed to be listed, at the time of filing of Draft Red Herring Prospectus with them.

**Change in Control of our Company:**

As on December 18, 2012, the partnership of “Accretion Pharmaceuticals” was established with Mr. Vivek Ashok Kumar Patel, Mr. Harshad Nanubhai Rathod, Mr. Mayur Popatlal Sojitra and Mr. Hardik Mukundbhai Prajapati as partners, which has converted into a public Limited Company named “Accretion Pharmaceuticals Limited”, and all the above stated partners are also the subscribers to Memorandum and Articles of Association, There has been no change in the promoters and control of the Company in preceding 5 years.

**Experience of our Promoters in the business activities of our Company:**

Our Promoters have over 5 decades of collective experience in various aspects of the pharmaceutical sector, including production, regulatory work, marketing, finance, and entrepreneurship. For details in relation to experience of our Promoters in the business of Our Company, Please refer the chapter “Our Management” beginning on page 187.

**Interest of the Promoters**

Our Promoters do not have any interest in our Company except to the extent of compensation payable/paid, rents on properties owned by them or their relatives but used by our Company and reimbursement of expenses (if applicable) and to the extent of any equity shares held by them or their relatives, and to the extent of benefits arising out of such shareholding. For further details, please see the chapters titled “Capital Structure”, “Restated Financial Statements” and “Our Management” beginning on pages 79, 229 and 187.

Except as stated otherwise in this Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties owned by them and used by our Company and development rights entered into by our Company other than in the normal course of business. For further details, please see chapter titled “Restated Financial Statements” beginning on page 229.

**Interest in the Promotion of our Company**

Our Company is currently promoted by the Promoters in order to carry on its present business. Our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company.

**Interest in any property acquired or proposed to be acquired by our Company**

Except as stated in the chapter titled “Business Overview” and “Restated Financial Statements”

beginning on page 141 and 229 respectively, our Promoters have confirmed that they do not have any interest in any property acquired by our Company within three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company as on the date of this Draft Red Herring Prospectus.

Further, other than as mentioned in the chapter titled “Business Overview” beginning on page 141 our Promoters do not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery.

#### **Interest in our Company arising out of being a member of a firm or company**

Our Promoters are not interested as member of a firm or company where any sum has been paid or agreed to be paid to them or to such firm or company in cash or shares or otherwise by any person either to induce such person to become, or qualify them as a director, or otherwise for services rendered by him or by such firm or company in connection with the promotion or formation of our Company.

#### **Payment or benefits to Promoters or Promoter Group**

Except as stated in the sections titled “Related Party Transactions”, “Our Management”, and “History and Corporate Structure of Our Company” on pages 229, 187 and 183 respectively, no amount or benefit has been paid or given by our Company to our Promoter or members of our Promoter Group in the two years preceding the date of the Draft Red Herring Prospectus or intended to be paid or given by our Company to our Promoters or members of our Promoter Group.

#### **Guarantees**

Except as stated in the “Restated Financial Statements” beginning on page 229, our Promoters have not given any material guarantee to any third party, in respect of the Equity Shares, as of the date of this Draft Red Herring Prospectus.

#### **List of all individuals and entities forming part of the Promoter Group**

Following persons and/or entities constitute the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations:

##### **(a) Natural persons**

The natural persons who are part of our Promoter Group (being the immediate relatives of our Promoter), are as follows:

S.No.	Relationship	Mr. Hardik Mukundbhai Prajapati	Mr. Harshad Nanubhai Rathod	Mr. Mayur Popatlal Sojitra	Mr. Vivek Ashok Kumar Patel
1.	Spouse	Vaishaki Hardik Prajapati	Rathod Pooja Harshad	Shweta Sojitra	Ankita Vivek Patel
2.	Father	Mukund Vithaldas Prajapati	Rathod Nanubhai Arjanbhai	Popatbhai Lakhabhai Sojitra	Ashokkumar Jamnadas Patel
3.	Mother	Prajapati Pragnaben Mukundbhai	Chandrikaben Nanubhai Rathod	Sojitra Bhanuben	Minaben Ashokkumar Patel
4.	Brother	Prajapati Abhishek Mukundbhai	Nitinkumar Nanubhai Rathod	NA	NA
5.	Sister	NA	Dabhi Diptiben Maheshkumar	Lunagaria Rashmiben Dhavalbhai	Jahanvi Sheetal Patel
6.	Son(s)	Prajapati Niyansh	Hridhaan Harshad	Veer Mayurbhai	NA

		Hardik	Rathod	Sojitra	
7.	Daughter(s)	Prajapati Niva Hardik	Rajvika Bedi	Dudhagra Jayaben Dilipbhai	NA
8.	Spouse's Father	Late shri Vijaykumar Mandli	Late Shri Kiritbhai	Sanghani Rashikbhai Dhanjibhai	Karshandas Madhadas Ghetiya
9.	Spouse's Mother	Jyotiben Vijaykumar Mandali	Shah Sandhyaben Kiritbhai	Sabghani Manjulaben Rasik	Rekhaben Karshandas Ghetiya
10.	Spouse's Brother(s)	Maurya Mandali	NA	Sanghani Mayank Rasikbhai	Krupen Ghetiya
11.	Spouse's Sister(s)	Ruchita Vijaykumar Mandali	Hiral Dipen Shah	NA	NA

**(b) Companies and entities**

The companies and entities that form part of our Promoter Group are as follows:

A. Body Corporate in which 20% or more of the equity share capital is held by the Promoter or an immediate relative of the Promoter or a firm or Hindu Undivided Family in which the promoter or Anyone or more of their relative is a member;	1) Accretion Nutraveda Private Limited 2) Ashokkumar Jamndas Patel (HUF) 3) Vivek Ashokbhai Patel (HUF) 4) M/s Accretion Inc 5) Alankritha 6) Swastik Impex 7) Sunrise Middle East 8) Uttam Industries 9) M/s Dalwadi and Company 10) M/s Gangaram Tulsibhai 11) Hempth Laboratory 12) Hardik Trading Company 13) RM Precious Jewelry India Limited
B. Body Corporate in which a body corporate as provided in (A) above holds twenty per cent. or more, of the equity share capital;	NA
C. Hindu Undivided Family or firm in which the aggregate share of the promoter and their relatives is equal to or more than 20% of the total capital;	NA

**(c) Persons whose shareholding is aggregated under the heading“ shareholding of the promoter group”:** Nil

**Disassociation by Promoters in the last three years**

Our Promoters have not disassociated themselves from any Company or Firm in the three years preceding the date of the Draft Red Herring Prospectus.

**Common Pursuits**

Entities such as M/s Accretion Nutraveda Private Limited, M/s Accresha Lifecare Private Limited and M/s Accretion Inc. belonging to our Promoter Mr Vivek Ashok Kumar Patel, Mr. Harshad Nanubhai Rathod, Mr. Hardik Mukundbhai Prajapati and Mr. Mayur Popatlal Sojitra has objects similar to that of

our Company's business and is engaged in the similar line of business / industry in which our Company operates.

### **Related Party Transactions**

For details of related party transactions please refer to page 229 of the Draft Red Herring Prospectus.

### **Confirmations**

- Our Company, Promoters and members of the Promoter Group have not been declared willful defaulters and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against them.
- None of our Promoters and members of the Promoter Group are a Fugitive Economic Offender.
- Our Promoters and members of the Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.
- Our Promoters are not and have never been a promoter, director or person in control of any other company which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except as disclosed in "Outstanding Litigation and Material Developments" beginning on page 243 there is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last five years preceding the date of the Issue against our Promoters.

Except as disclosed in "Restated Financial Statements" beginning on page 229 of this Draft Red Herring Prospectus, our Promoters are not related to any of the sundry debtors or are not beneficiary of Loans and Advances given by/to our Company.



## GROUP ENTITIES OF OUR COMPANY

As per the SEBI (ICDR) Regulations, 2018, for the purpose of identification of Group Companies, our Company has considered those companies as our Group companies with which there were related party transactions as per the Restated Financial Statements of our Company and other Companies as considered material by our Board. Further, pursuant to a resolution of our Board dated July 25, 2024 for the purpose of disclosure in relation to Group companies in connection with the Issue, a company shall be considered material and disclosed as a Group company if such company fulfils both the below mentioned conditions: -

- i. Such company that forms part of the Promoter Group of our Company in terms of Regulation 2(1) (t) of the SEBI (ICDR) Regulations;

**Based on the above, the following companies are identified as our Group company:**

1. Accretion Nutraveda Private Limited

### 1. Accretion Nutraveda Private Limited

Accretion Nutraveda Private Limited was originally incorporated on 16 March, 2021 under the Companies Act, 2013 pursuant to the certificate of registration issued by the Registrar of Companies, Ahmedabad. The CIN of “**Accretion Nutraveda Private Limited**” is U24290GJ2021PTC121216.

<b>CIN</b>	U24290GJ2021PTC121216
<b>PAN</b>	AAUCA9884F
<b>Registered Office</b>	27 Xcelon Industrial Park-1, Vasna-Chacharwadi, Ta- Sanand, Ahmedabad, Ahmedabad, Gujarat, India, 382213
<b>Current Nature of Activities/Business Activities</b>	Currently engaged in the business of pharmaceuticals.

### Board of Directors:

As on date of this Draft Red Herring Prospectus, the following are the Board of Directors of the Accresha Lifecare Private Limited:

Sr. No.	Name of Director	Designation	DIN
1.	Vivek Ashok Kumar Patel	Director	09130357
2.	Ankurkumar Shantilal Patel	Director	09130391
3.	Harshad Nanubhai Rathod	Director	09108392
4.	Hardik Mukundbhai Prajapati	Director	09108403
5.	Mayur Popatlal Sojitra	Director	09108404

### Capital Structure

As on the date of this Draft Red Herring Prospectus, the authorised share capital of the company is ₹36,00,000 divided into 3,60,000 Equity Shares of ₹10 each. The issued, subscribed and paid-up Equity share capital of company is ₹36,00,000 divided into 3,60,000 Equity Shares of ₹10 each.

### Financial Information:

The summary of financial performance for the last three financial years are as follow:

(in thousands)

Particulars	March 31, 2023	March 31, 2022
Reserves & Surplus	(1833.3)	(3840.9)

Revenue from Operations	29031.3	5850.6
Profit/ (Loss) after tax	2007.6	(3840.9)
Earnings Per Share	0.06	(0.11)
Diluted Earnings Per Share	-	-
Net asset value	1766.7	(240.9)

### **Litigations**

Except as mentioned under the chapter Outstanding Litigation and Material Developments, our Group Companies does not have any pending litigation which can have any material impact on our Company.

### **Common pursuits among Group Companies**

Accretion Nutraveda Private Limited is engaged in the same and / or similar line of business / industry in which our Company operates and could offer services that are related to the business of our Company. Our Company will ensure necessary procedures and practices as permitted by laws and regulatory guidelines to address situations of conflict of interest as and when they arise. For further details, see “Risk Factor” beginning on page 34 of this Draft Red Herring Prospectus.

### **Nature and extent of interest of our Group Companies**

#### **a) Interest in the promotion of our Company**

Our Group company does not have any interest in the promotion of our Company.

#### **b) Interest in the property acquired or proposed to be acquired by the Company**

Our Group company is not interested, directly or indirectly, in the properties acquired by our Company in the preceding three years or proposed to be acquired by our Company.

#### **c) Interest in transactions for acquisition of land, construction of building, or supply of machinery**

Our Group company is not interested directly or indirectly, in any transactions for acquisition of land, construction of building, supply of machinery, with our Company.

### **Related business transactions and their significance on the financial performance of our Company**

Other than the transactions disclosed in the section “Financial Information –Related Party Transactions” on page 229 of this Draft Red Herring Prospectus, there are no related business transactions between the Group Company and our Company.

### **Business interest of our Group Companies in our Company**

Except as disclosed in the section “Financial Information –Related Party Transactions” and “History and Corporate Structure” on page 229 of this Draft Red Herring Prospectus and page 183 of this Draft Red Herring Prospectus, our Group Company has no business interests in our Company.

### **Other confirmations**

- a) Our Group Company has not made any public and/ or rights issue of securities (as defined under the SEBI ICDR Regulations) in the preceding three years.
- b) Our Group Company is not in defaults in meeting any Statutory/ bank/ institutional dues and no proceedings have been initiated for economic offences against our Group Company.
- c) Our Group Company has not been debarred from accessing the capital market for any reasons by the SEBI or any other authorities.

### **Undertaking/ Confirmations by our Group Company**

None of our Promoters or Promoter Group or Group companies or person in control of our Company has been:

- i. Prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority; or
- ii. Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

None of our Promoters, person in control of our Company have ever been a Promoter, Director or person in control of any other Company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, neither our Promoters, the relatives of our individual Promoter (as defined under the Companies Act) nor our Group companies /Promoter Group entities have been declared as a wilful defaulter or economic offender by the RBI or any other government authority and there are no violations of securities laws committed by them or any entities they are connected with in the past and no proceedings for violation of securities laws are pending against them.

The information as required by the SEBI ICDR Regulations with regards to the Group companies, are also available on the website of our company i.e., <http://www.accretionpharma.com>.

## **DIVIDEND POLICY**

Under the Companies Act, 2013, an Indian Company pays dividends upon a recommendation by its Board of Directors and approval by a majority of the Shareholders. Under the Companies Act, 2013, dividends may be paid out of the profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both.

Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion. Further, in case of an offer for sale, dividends, if any, declared by our Company after the date of allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the offer for sale, for the entire year, in accordance with applicable law.

Our Company has not paid any dividend since incorporation.

Dividends are payable within thirty days of approval by the Equity Shareholders at the annual general meeting of our Company and in case of interim dividend within thirty days of declaration by the Board of Directors. When a dividend is declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the "record date" are entitled to be paid the dividend declared by our Company. Any Equity shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by our Company.

## SECTION IX: FINANCIAL STATEMENTS

### RESTATED FINANCIAL STATEMENTS

Independent Auditor's Examination report on Restated Standalone Financial Information of Accretion Pharmaceuticals Limited	A - 1
Restated Financial Information	A - 2

**A -1**

**Independent Auditor's Examination report on Restated Standalone  
Financial Information of Accretion Pharmaceuticals Limited**

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## INDEPENDENT AUDITOR'S REPORT ON RESTATED FINANCIAL STATEMENTS

**To,  
The Board of Directors,  
Accretion Pharmaceuticals Limited**

Dear Sirs,

1. We have examined the attached Restated Financial Information of Accretion Pharmaceuticals Limited ("the company or Issuer") including Accretion Pharmaceuticals Limited (Conversion of Accretion Pharmaceuticals) comprising the Restated Assets and Liabilities as at July 20, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Statements of Profit and Loss for period ended on July 20, 2024 and year ended on March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Cash Flow Statement for the period ended on July 20, 2024 and year ended on March 31, 2024, March 31, 2023 and March 31, 2022 the Summary statement of Significant Accounting Policies and other explanatory information (Collectively the Restated Financial Information as approved by the Board of Directors of the Company for the purpose of inclusion in the Draft Red Herring Prospectus, prepared by the company in connection with its proposed Initial Public Offer of equity shares (IPO) prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules");

The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations"); and

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 are responsible for the preparation of Restated Financial Information for the purpose of inclusion in the DRHP to be filled with Securities and Exchange Board of India, NSE emerge and Registrar of Companies, Ahmedabad, Gujarat in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the company on the basis of preparation stated in notes to the Restated Financial Information. Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. Management is also responsible for identifying and ensuring that the Company complies with the Companies Act, ICDR Regulations and the Guidance Note.
3. We have examined such Restated Financial Information taking into consideration:
  - a) The terms of reference and terms of our engagement agreed upon with the company in accordance with our engagement letter dated 16/07/2024 in connection with the proposed IPO of equity shares of the Company;
  - b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI; and the requirements of Section 26 of the Act and the ICDR Regulations.
  - c) 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.
  - d) These Restated Financial Information have been compiled by the management from the Audited Financial Statements of the company for the period ended on July 20, 2024 and financial years ended on March 31, 2024, March 31, 2023 and March 31, 2022 which have been approved by Board of directors.

4. In accordance with the requirements of Act, SEBI ICDR Regulations, Guidance Note on the reports in Company Prospectus (Revised) issued by ICAI and the terms of our Engagement Letter, we further report that:
- a) The **“Restated Statement of Assets and Liabilities”** as set out in **Annexure 1** to this report, of the Company as at July 20, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 are prepared by the Company and approved by the Board of Directors. This Statement of Assets and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual Financial Statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in Annexure 4.1 to this Report.
  - b) The **“Restated Statement of Profit and Loss”** as set out in **Annexure 2** to this report, of the Company for period ended July 20, 2024 and for the financial year ended on March 31, 2024, March 31, 2023 and March 31, 2022 are prepared by the Company and approved by the Board of Directors. This Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in Annexure 4.1 to this Report.
  - c) The **“Restated Statement of Cash Flow”** as set out in **Annexure 3** to this report, of the Company for period ended July 20, 2024 and for the financial year ended on March 31, 2024, March 31, 2023 and March 31, 2022 are prepared by the Company and approved by the Board of Directors. This Statement of Cash Flow, as restated, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Restated Summary Statements as set out in Annexure 4.1 to this Report.
  - d) Based on the above and also as per the reliance placed by us on the audited financial statements of the company and auditor’s report thereon which have been prepared by us for the period ended July 20, 2024 and other audit reports for the financial year ended on March 31, 2024, March 31, 2023 and March 31, 2022 were prepared by other statutory Auditor of the Company and we have considered that reports, we are of the opinion that, The Restated Financial Statements or Restated Summary Statements have been made after incorporating:
    - Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all reporting period if any;
    - Adjustment for any material amounts in the respective financial years have been made to which they relate;
    - They do not contain any extra-ordinary items that needs to be disclosed separately except as shown in the Restated Financial Information;
    - There are no revaluation reserves, which needs to be disclosed separately in the Restated Financial Statement.
    - There are no qualifications in the Audit Report issued by statutory auditors for the period ended July 20, 2024 and for the financial year ended on March 31, 2024, March 31, 2023 and March 31, 2022 which would require adjustments in this Restated Financial Statement of the Company.
    - The Company has not paid dividend on its equity shares during the reporting period.

We have also examined the following Restated financial information of the Company set out in the Annexure as prepared by the management and approved by the Board of Directors of the company for the period ended July 20, 2024 and for the financial years ended on March 31, 2024, March 31, 2023 and March 31, 2022 proposed to be included in the Draft Prospectus / Prospectus (“Offer Document”) for the proposed IPO:

Annexure – 4.1: Significant Accounting Policies and Notes to Accounts as restated

Annexure – 4.2: Reconciliation of Restated Profit & Audit Profit

Annexure – 4.3: Reconciliation of Restated Equity / Net-worth



Annexure - 5: Restated Statement of Share Capital

Annexure - 6: Restated Statement of Reserves & Surplus

Annexure - 7: Restated Statement of Long-term Borrowings

Annexure - 8: Restated Statement of Long-term Provisions

Annexure - 9: Restated Statement of Deferred Tax Liabilities

Annexure - 10: Restated Statement of Short-term Borrowings

Annexure - 11: Restated Statement of Trade Payables

Annexure - 12: Restated Statement of Other Current Liabilities

Annexure - 13: Restated Statement of Short-Term Provisions

Annexure - 14: Restated Statement of Property, Plant and Equipment

Annexure - 15: Restated Statement of Long-term Loans and Advances

Annexure - 16: Restated Statement of Other Non-Current Assets

Annexure - 17: Restated Statement of Inventories

Annexure - 18: Restated Statement of Trade Receivables

Annexure - 19: Restated Statement of Cash and Cash Equivalents

Annexure - 20: Restated Statement of Short-Term Loans and Advances

Annexure - 21: Restated Statement of Revenue from Operations

Annexure - 22: Restated Statement of Other Business/ Operating Income

Annexure - 23: Restated Statement of Cost of Material Consumed

Annexure - 24: Restated Statement of Employee Benefit Expenses

Annexure - 25: Restated Statement of Finance Cost

Annexure - 26: Restated Statement of Depreciation and Amortization Expense

Annexure - 27: Restated Statement of Other Expenses

Annexure - 28: Restated Statement of Earnings Per Share

Annexure - 29: Restated Statement of Employee Benefit

Annexure - 30: Restated Statement of Related Party Transactions

Annexure - 31: Restated Statement of Contingent Liabilities

Annexure - 32: Restated Statement of Segment Reporting

Annexure - 33: Restated Statement of Additional Disclosures

Annexure - 34: Restated Statement of Accounting Ratios

Annexure - 35: Restated Statement of Material Regroupings

Annexure - 36: Restated Statement Tax Shelter

Annexure - 37: Restated Statement of Capitalization

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 or any other firm of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company in accordance with the provisions of the Act and the Financial Information referred to above is the responsibility of the management of the Company.

In our opinion, the above financial information contained in Annexure 1 to 37 and read along with the Restated Statement of Significant Accounting Policies and Notes as set out in Annexure 4.1 are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with paragraph B, Part II of Schedule II of the Act, the SEBI ICDR Regulations, The Revised Guidance Note on Reports in Company Prospectus and Guidance Note on Audit Reports/Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India ("ICAI") to the extent applicable, as amended from time to time, and in terms of our engagement as agreed with you. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.

We, **V S S B & Associates**, Chartered Accountants have been subjected to peer review process of the Institute of Chartered Accountant of India (ICAI) and hold a valid peer review certificate No.- 014855 dated 31/10/2026 issued by the "Peer Review Board" of the ICAI.

Our report is intended solely for use of the management for inclusion in the offer document to be filed with Securities and Exchange Board of India in connection with the proposed issue of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

**For V S S B & Associates**

Chartered Accountants

FRN No.: 121356W

Vishves A. Shah

**Partner**

Mem. No. 109944

UDIN - 24109944BKACUK7843

Place: Ahmedabad

Date: 20/08/2024

**A -2**

**Restated Financial Information**

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(Amount in Lakhs)

	Particulars	Note No	As at 20 July 2024	As at 31 March 2024*	As at 31 March 2023*	31 March 2022
<b>II</b>	<b>EQUITY AND LIABILITIES</b>					
	<b>Equity</b>					
(a)	Share Capital/Partners capital	5	817.00	400.00	384.27	307.64
(b)	Reserve and Surplus	6	174.49	134.76	-	-
			<b>991.49</b>	<b>534.76</b>	<b>384.27</b>	<b>307.64</b>
	<b>Liabilities</b>					
<b>1</b>	<b>Non-current liabilities</b>					
(a)	<b>Financial liabilities</b>					
	Long-term borrowings	7	287.86	691.07	286.70	289.85
(b)	Provisions	8	10.63	10.07	4.38	3.35
(c)	Deferred tax liability (net)	9	2.48	2.48	-0.20	0.18
	<b>Total non-current liabilities</b>		<b>300.96</b>	<b>703.62</b>	<b>290.89</b>	<b>293.39</b>
<b>2</b>	<b>Current liabilities</b>					
(a)	<b>Financial liabilities</b>					
	Short-term borrowings	10	803.27	657.15	559.88	470.90
	Trade payables	11	619.88	657.75	784.95	673.72
	Other Financial Liabilities		-	-	-	-
(b)	Other current liabilities	12	44.15	22.06	31.85	25.85
(C)	Short-term provisions	13	174.54	129.27	6.14	2.61
	<b>Total current liabilities</b>		<b>1,641.84</b>	<b>1,466.23</b>	<b>1,382.82</b>	<b>1,173.08</b>
	<b>Total Equity and Liabilities</b>		<b>2,934.29</b>	<b>2,704.61</b>	<b>2,057.97</b>	<b>1,774.11</b>
	<b>ASSETS</b>					
	<b>Non-current assets</b>					
(a)	<b>Property, Plant and Equipment and Intangible assets</b>					
(i)	Property, Plant and Equipment	14	628.85	527.27	601.23	583.59
(d)	Long Term Loans and Advances	15	13.38	13.38	3.91	2.55
(e)	Other non-current assets	16	19.95	5.45	-	-
	<b>Total non-current assets</b>		<b>662.18</b>	<b>546.10</b>	<b>605.14</b>	<b>586.14</b>
	<b>Current assets</b>					
(b)	Inventories	17	1,438.15	1,447.58	776.39	693.28
(c)	Trade receivables	18	717.98	580.44	579.94	406.80
(d)	Cash and Cash Equivalents	19	8.48	9.16	3.64	37.45
(e)	Short Term Loans and Advances	20	107.48	121.31	92.87	50.44
	<b>Total current assets</b>		<b>2,272.10</b>	<b>2,158.50</b>	<b>1,452.83</b>	<b>1,187.98</b>
	<b>Total Assets</b>		<b>2,934.29</b>	<b>2,704.61</b>	<b>2,057.97</b>	<b>1,774.12</b>

See accompanying notes to the financial statements

This is the Balance Sheet referred to in our Report of even date.

\*Restated Financials includes period of partnership firm from 1st April, 2021 to 14th December, 2023

For V S B &amp; Associates

Chartered Accountants

Firm Registration No: 121356W

For Accretion Pharmaceuticals Limited

Vishves A. Shah

Partner

M.No. 109944

UDIN: 24109944BKACUK7843

Vivek Ashok Kumar Patel

Managing Director

DIN - 09130357

Harshad Nanubhai Rathod

CFO &amp; Director

DIN - 9108392

Place : Ahmedabad

Date: 20/08/2024

Bhavika Dhaval Makadia

Company Secretary

M No A65190

Place : Ahmedabad

Date: 20/08/2024

(Amount in Lakhs)

Sr. No	Particulars	Note No	Period ended 20 July 2024	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
<b>I</b>	Revenue from operations	21	1,187.10	3,366.52	2,938.43	2,229.20
<b>II</b>	Other Income	22	1.91	27.34	14.72	29.22
<b>III</b>	<b>Total Income (I+II)</b>		<b>1,189.00</b>	<b>3,393.86</b>	<b>2,953.15</b>	<b>2,258.42</b>
<b>IV</b>	<b>Expenses:</b>					
(a)	Cost of Materials consumed	23	827.43	2,505.91	2,366.33	1,861.29
(b)	Change in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23(B)	(47.87)	(344.95)	(31.38)	(105.26)
(b)	Employee benefits expense	24	102.39	261.87	247.40	196.01
(c)	Finance costs	25	42.25	115.38	107.64	101.66
(d)	Depreciation and amortization expense	26	8.84	84.73	92.33	81.04
(e)	Other expenses	27	43.55	194.76	156.95	113.28
	<b>Total expenses (IV)</b>		<b>976.59</b>	<b>2,817.69</b>	<b>2,939.27</b>	<b>2,248.02</b>
<b>V</b>	<b>Profit/ (Loss) before Tax (III-IV)</b>		212.41	576.17	13.88	10.40
<b>VI</b>	<b>Tax expense:</b>					
(a)	Current tax		55.68	185.96	3.87	2.32
(b)	Prior year tax adjustments		-	-	-	-
(c)	Deferred tax (benefit)	9	-	2.68	(0.38)	0.18
			55.68	188.64	3.49	2.50
<b>VII</b>	<b>Profit/ (Loss) for the year (V-VI)</b>		<b>156.73</b>	<b>387.53</b>	<b>10.39</b>	<b>7.90</b>
<b>VIII</b>	<b>Other comprehensive income</b>					
	Items that will not be reclassified to profit or loss					
	- Remeasurements of the defined benefit plans (net of taxes)		-	-	-	-
<b>IX</b>	<b>Total comprehensive (loss)/income for the year (VII + VIII)</b>		<b>156.73</b>	<b>387.53</b>	<b>10.39</b>	<b>7.90</b>
	<b>Earnings Per Share</b>					
	Nominal value per share Rs. 10					
	Basic and Diluted	28	6.53	9.69	N.A.	N.A.

See accompanying notes to the financial statements

\*Restated Financials includes period of partnership firm from 1st April, 2021 to 14th December, 2023

For V S S B &amp; Associates

Chartered Accountants

Firm Registration No: 121356W

Vishves A. Shah

Partner

M.No. 109944

UDIN: 24109944BKACUK7843

For Accretion Pharmaceuticals Limited

Vivek Ashok Kumar Patel

Managing Director

DIN - 09130357

Harshad Nanubhai Rathod

CFO &amp; Director

DIN - 9108392

Place : Ahmedabad

Date: 20/08/2024

Bhavika Dhaval Makadia

Company Secretary

M No - A65190

Place : Ahmedabad

Date: 20/08/2024

Accretion Pharmaceuticals Limited

CIN: U21004GJ2023PLC146545

Annexure - 3 : Restated Statement of Cash Flow

(Amount in Lakhs)

	Period ended 20 July 2024	For the year ended on 31/03/2024	Year ended 31 March 2023	Year ended 31 March 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Net Profit Before Tax	212.41	187.32	13.88	10.40
<b>Adjustments for:</b>				
Depreciation	8.84	84.73	92.33	81.04
Interest expenses	42.25	115.38	107.64	101.66
Interest income	0.00	0.00	0.00	0.00
<b>Operating (loss) before Working Capital changes</b>	<b>263.50</b>	<b>387.42</b>	<b>213.85</b>	<b>193.11</b>
Adjustments for :				
(Increase) / Decrease in trade receivables	(137.54)	(0.51)	(173.14)	125.51
(Increase) / Decrease in loans and advances & other current asset	(0.68)	(43.36)	(43.78)	34.76
(Increase) / Decrease in Inventories	9.43	(671.19)	(83.11)	(197.47)
Increase / (Decrease) in trade payables	(37.88)	(127.20)	111.23	57.11
Increase / (Decrease) in other current liabilities and provisions	67.93	121.70	10.56	2.68
	<b>(98.73)</b>	<b>(720.56)</b>	<b>(178.24)</b>	<b>22.60</b>
<b>Cash generated from / (used in) operations:</b>	<b>164.77</b>	<b>(333.14)</b>	<b>35.61</b>	<b>215.71</b>
Taxes (Paid) / Refund	(55.68)	(52.56)	(3.49)	(0.71)
<b>Net cash from / (used in) operating activities</b>	<b>109.08</b>	<b>(385.69)</b>	<b>32.12</b>	<b>215.00</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Property, Plant & Equipment	(110.43)	(10.77)	(117.81)	(25.73)
Receipts on Sale of Property, Plant & Equipment	0.00	-	7.85	0.00
Interest received	0.00	-	0.00	0.00
<b>Net cash from / (used in) investing activities</b>	<b>(110.43)</b>	<b>(10.77)</b>	<b>(109.96)</b>	<b>(25.73)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interest paid	(42.25)	(115.38)	(107.64)	(101.66)
Proceeds/ (repayments) from Borrowings	(257.09)	501.64	85.80	(28.10)
Proceeds from issue of Shares/ capital introduced/ (capital withdrawal)	300.00	15.73	65.86	(28.73)
<b>Net cash from / (used in) financing activities</b>	<b>0.66</b>	<b>402.00</b>	<b>44.02</b>	<b>(158.49)</b>
<b>D. NET INCREASE/ (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>(0.68)</b>	<b>5.53</b>	<b>(33.82)</b>	<b>30.77</b>
<b>E. CASH AND CASH EQUIVALENTS as at the beginning of the Year</b>	<b>9.16</b>	<b>3.64</b>	<b>37.45</b>	<b>6.68</b>
<b>F. CASH AND CASH EQUIVALENTS as at the End of Year</b>	<b>8.48</b>	<b>9.16</b>	<b>3.64</b>	<b>37.45</b>
	<b>(0.68)</b>	<b>5.53</b>	<b>(33.82)</b>	<b>30.77</b>
<b>Note:</b>				
Components of cash and cash equivalents (Refer Note 9)				
Cash and cash equivalents	8.48	9.16	3.64	37.45
Fx Gain / (Loss) on Cash revaluation	-	-	-	-
Cash & Cash Equivalents considered for Cash flow	<b>8.48</b>	<b>9.16</b>	<b>3.64</b>	<b>37.45</b>

As per our report attached

**For V S S B & Associates**  
Chartered Accountants  
Firm Registration No: 121356W

**For Accretion Pharmaceuticals Limited**

Vishves A. Shah  
**Partner**  
M.No. 109944  
UDIN: 24109944BKACUK7843

Vivek Ashok Kumar Patel  
**Managing Director**  
DIN - 09130357

Harshad Nanubhai Rathod  
**CFO**  
DIN - 9108392

Place : Ahmedabad  
Date: 20/08/2024

Bhavika Dhaval Makadia  
**Company Secretary**

Place : Ahmedabad  
Date: 20/08/2024

## **Accretion Pharmaceuticals Limited**

### **Annexure – 4.1: Significant Accounting Policies and Notes to Accounts as restated**

#### **1 Corporate Information**

Accretion Pharmaceuticals Limited was incorporated on 29 November 2023 under Companies Act 2013. The company is mainly engaged in business of manufacture, process, trade, sale, purchase, import, export, assemble, distribute, formulate, develop, consult, test and deal in all kind of Drugs, Pharmaceuticals products and related products thereto.

#### **2 Significant Accounting Policies**

##### **2.1 Basis of Preparation:**

The Restated Statement of Assets and Liabilities of the Company as on July 20, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 and the Restated Statement of Profit and Loss and Restated Statements of Cash Flows for the period/ financial year ended on July 20, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 and the annexure thereto (collectively, the “Restated Financial Statements”) have been compiled by the management from the Financial Statements of the Company for the period/financial year ended on July 20, 2024, March 31, 2024, March 31, 2023 and March 31, 2022.

These restated financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (‘Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

##### **2.2 Use of Estimates:**

The preparation of the restated financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting year, the reported amounts of assets and liabilities and the disclosures of contingent liabilities as on the date of the restated financial statements.

Examples of such estimates include useful lives of Property Plant and Equipment’s, provision for doubtful debts / advances, deferred tax, etc. Actual results could differ from those estimates. Such difference is recognised in the year/s in which the results are known / materialised.

##### **2.3 Property, Plant and Equipment (PPE):**

The Company has adopted the cost model as its accounting policy for all its PPE and accordingly, the same are carried at its cost less any accumulated depreciation and any impairment loss. The cost comprises of - purchase price, including import duties, other non-recoverable taxes, and any cost incurred directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, after deducting trade discounts and rebates.

##### **2.4 Depreciation / Amortisation:**

Depreciation on PPE is commenced on when it is available on use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended. Depreciation is provided on the “Written Down Value Method” as per the useful lives specified in Part C of Schedule II to the Companies Act, 2013. The residual value and the useful life of an asset is reviewed at least at each financial

year-end and, and if expectations differ from previous estimates, the change is recognised in the statement of profit and loss with appropriate disclosure thereof.

## **2.5 Assets Acquired on Lease / Hire Purchase:**

i. Assets acquired under leases / hire purchase where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease / hire purchase rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

ii. Assets acquired under leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on accrual basis.

## **2.6 Impairment of Assets:**

As on each Balance Sheet date, if internal / external indicators suggest that an asset may be impaired, the carrying amount of the asset is tested for impairment so as to determine, the provision for impairment loss required. No such provision is required to be made.

## **2.7 Investments:**

Long-term investments are stated at cost. Provision for diminution in value of long-term investments made only if, such a decline is other than temporary in the opinion of management. Short-term investment at stated at cost or market value, whichever is lower.

## **2.8 Inventories:**

Raw Materials: Valued at Cost or market price whichever is lower.

Stock in Process: Valued at Cost Price.

Finished Goods produced or purchased by the company are carried at lower of cost or Net Realizable Value. Cost includes direct material and transportation cost.

## **2.9 Revenue Recognition:**

Revenue is recognised to the extent, that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. It is recognised on the delivery of goods. Revenue is reported net of discounts.

### **Revenue from sale of goods**

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer and are recorded net of trade discounts, rebates, Goods and Service Tax.

### **Revenue from services**



Revenue from services is recognised pro-rata over the period of the contract as and when services are rendered and the collectability is reasonably assured. The revenue is recognised net of Goods and service tax.

### **Interest Income**

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and applicable interest rate.

### **Dividend Income**

Dividend is recognised when the company's right to receive dividend is established.

### **2.10 Foreign Currency Transactions:**

i. Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction.

ii. Exchange differences arising on the settlement of monetary items or on reporting at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or expenses in the year in which they arise.

### **2.11 Employee Benefits:**

#### **Short Term Employees Benefits.**

All employees benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, etc are recognized in the period in which the employees renders the related service.

#### **Defined benefits:**

Provision for gratuity is made as per Accounting Standard 15 "Employee Benefits" as issued by Institute of Chartered Accountants of India using Projected Unit Credit

### **2.12 Borrowing Costs:**

No borrowing costs are charged to the Statement of Profit and Loss as expense in the year and no Borrowing costs that are attributable to the acquisition / construction of qualifying assets, are capitalized during the year.

### **2.13 Segment Reporting Policies:**

i. Primary Segment is identified based on the nature of services, the different risks and returns and the internal business reporting system. Secondary Segment is identified based on the geographic allocation of its customers.

ii. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

### **2.14 Taxation:**

i. Tax on income for the current year is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income-tax Act, 1961.

ii. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognised as an asset in the Balance Sheet if there is convincing evidence that the Company will pay normal tax during the period specified to avail the MAT credit under the Income-tax Act, 1961, and the resultant asset can be measured reliably.

iii. Deferred tax is recognized, subject to consideration of prudence, on timing differences between taxable and accounting income which originates in one period and are capable of reversal in one or more subsequent periods (adjusted for reversals expected during tax holiday period). The tax effect is calculated on accumulated timing differences at the yearend based on tax rates and laws enacted or substantially enacted as of the balance sheet date. In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available to realise such deferred tax assets. In other situations, deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available to realise such deferred tax assets. The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

iv. The Company offsets, on a year-on-year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

#### **2.15 Provisions, Contingent Liabilities and Contingent Assets:**

i. Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if the Company has a present obligation as a result of a past event, a probable outflow of resources is expected to settle the obligation and the amount of the obligation can be reliably estimated.

ii. Reimbursement expected in respect of the expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

iii. Contingent liability is stated in the case of a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation, a possible obligation, unless the probability of outflow of resources is remote.

iv. Contingent assets are neither recognized, nor disclosed.

v. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

**4.2 Reconcillation of Profit & Loss**

The summary of results of restatement adjustments made in the audited financial statements for the respective period/ year and its impact on the profit of the Company is as follows:

Particulars	Period ended 20 July 2024	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
(A) Net Profit/(Loss) after Tax as per Audited Profit & Loss Account	156.73	402.26	16.45	12.68
(B) Adjustments for:				
(a) Gratuity Expenses	-	10.39	1.06	3.41
(b) Depreciation	-	1.80	1.52	1.19
(c) Profit on sale of PPE	-	-	-	-
(d) Tax Expenses				
- Prov for tax	-	-	3.10	-
- Deferred tax	-	2.54	0.38	0.18
<b>Total (B)</b>	-	14.73	6.06	4.78
<b>Net Profit/(Loss) after tax as Restated</b>	<b>156.73</b>	<b>387.53</b>	<b>10.39</b>	<b>7.90</b>

**4.3 Reconcillation of Total Equity**

The summary of results of restatement adjustments made in the audited financial statements for the respective period/ year and its impact on Total Equity of the Company is as follows:

Particulars	Period ended 20 July 2024	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
A) Total Equity as per audited financial statements	976.63	519.90	379.80	304.23
(B) Adjustment for:-				
(ii) Other Expense of prior period adjusted in opening reserves				
(iii) Carry forward adjustment in Total equity from the immediate previous year	14.86	14.86	4.47	3.41
<b>Total adjustments</b>	<b>14.86</b>	<b>14.86</b>	<b>4.47</b>	<b>3.41</b>
<b>Restated Total Equity</b>	<b>991.49</b>	<b>534.76</b>	<b>384.27</b>	<b>307.64</b>

5 Share Capital as Restated

(Amount in Lakhs)

	As at 20 July 2024	As at 2024/03/31	As at 31 March 2023	As on 31 March 2022
<b>Partnership capital account</b>				
Opening balance	0.00	521.92	307.64	344.46
ADD: Addition during the year			96.00	127.00
ADD: Profit for the year			10.39	7.90
Interest on capital			39.83	38.43
Remuneration			16.00	14.00
Less: drawing/conversion			85.59	224.15
Closing balance			384.27	307.64
Less/add- Restatement adjustment			0.00	0.00
Capital converted into share capital	0.00	400.00		
Amount transferred to security premium				
<b>Total capital as restated</b>	<b>0</b>	<b>121.92</b>	<b>384.27</b>	<b>307.64</b>

**SHARE CAPITAL**

**AUTHORISED SHARES:**

1,00,00,000 Equity shares of Rs. 10 each fully paid

1,300.00      400.00      -      -

**ISSUED, SUBSCRIBED AND PAID UP SHARES:**

81,70,000 Equity shares of Rs. 10 each fully paid

817.00      400.00      -      -

**TOTAL**

**817.00      400.00      -      -**

5.1 Reconciliation of Shares:

**No. of shares:**

At the beginning of year

4,000,000      4,000,000      -      -

Add: Issued during the year

4,170,000      -      -      -

Outstanding at the end of the year

**8,170,000      4,000,000      -      -**

**Amount of shares:**

At the beginning of year (Rs. 10 per share)

400.00      -      -      -

Add: Issued during the year (Rs. 10 per share)

417.00      400.00      -      -

Outstanding at the end of the year (Rs. 10 per share)

**817.00      400.00      -      -**

5.2 Right /terms attached to Equity Shares:

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each share holder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing general meeting, except in case of interim dividend. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

5.3 Shareholders holding 5% or more of Aggregate Shares of the Company:

Name of Shareholders	As at July 20, 2024 Rs.		As at March 31, 2024 Rs.		Percentage Change %
	No. of shares held	(% Holding)	No. of shares held	(% Holding)	
<b>Equity Shares:</b>					
Mr. Harshad N Rathod	1,966,500	24.07%	960,000	24.00%	0%
Mr. Mayur P Sojitra	1,966,500	24.07%	960,000	24.00%	0%
Mr. Vivek A Patel	1,966,500	24.07%	960,000	24.00%	0%
Mr. Hardik M Prajapati	1,966,500	24.07%	960,000	24.00%	0%
Mrs. Pooja H Rathod	76,000	0.93%	40,000	1.00%	0%
Mrs. Shweta M Sojitra	76,000	0.93%	40,000	1.00%	0%
Mrs. Ankita V Patel	76,000	0.93%	40,000	1.00%	0%
Mrs. Vaishaki H Prajapati	76,000	0.93%	40,000	1.00%	0%
<b>Total</b>	<b>8,170,000</b>	<b>100.00%</b>	<b>4,000,000</b>	<b>100.00%</b>	<b>0%</b>

5.4 Promoters' Shareholding

	As at 20 July 2024		As at March 31, 2024	
	Number	% of Holding	Number	% of Holding
Mr. Harshad N Rathod	1,966,500	24.07%	960,000	24.00%
Mr. Mayur P Sojitra	1,966,500	24.07%	960,000	24.00%
Mr. Vivek A Patel	1,966,500	24.07%	960,000	24.00%
Mr. Hardik M Prajapati	1,966,500	24.07%	960,000	24.00%
Mrs. Pooja H Rathod	76,000	0.93%	40,000	1.00%
Mrs. Shweta M Sojitra	76,000	0.93%	40,000	1.00%
Mrs. Ankita V Patel	76,000	0.93%	40,000	1.00%
Mrs. Vaishaki H Prajapati	76,000	0.93%	40,000	1.00%
<b>Total</b>	<b>8,170,000</b>	<b>100.00%</b>	<b>4,000,000</b>	<b>100.00%</b>

5.5 Terms of any securities convertible into equity/preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date : Not Applicable

5.6 The company has issued bonus shares on 18 July 2024 from capitalisation of securities premium account in the ratio of 9:10 i.e. 9 shares for each 10 shares held vide meeting held of Board of Directors dated July 05, 2024.

5.7 The company has made right issue of shares to the existing shareholders of the company vide meeting held of Board of Directors dated July 05, 2024.

**6 Reserve and Surplus as Restated**

	As at July 20, 2024	As at March 31, 2024	As at 31 March 2023	As at 31 March 2022
<b>Securities Premium Account</b>				
As per last financial statements	-	-	-	-
Add: Addition during the year	270.00	-	-	-
	270.00	-	-	-
Less: Utilised for issue of bonus shares	270.00	-	-	-
	-	-	-	-
<b>Surplus In Statement of Profit And Loss</b>				
As per last financial statements	134.76	-	-	-
Add : Net Profit for the period/ year	156.73	134.76	-	-
	291.49	134.76	-	-
Less: Utilised for issue of bonus shares	117.00	-	-	-
	174.49	134.76	-	-
<b>TOTAL</b>	<b>174.49</b>	<b>134.76</b>	-	-

(Amount in Lakhs)				
7 Long Term Borrowings as Restated	As at 20 July 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
<b>Secured</b>				
Term loan from bank (refer note (ia and ib)) (includes loan taken under Union Guaranteed Emergency Credit Line Scheme (UGECL))	58.32	98.32	223.78	271.85
Vehicle Loan (refer note (ii))	8.23	9.68	13.93	-
<b>Total Long Term Borrowings</b>	<b>66.54</b>	<b>108.00</b>	<b>237.71</b>	<b>271.85</b>
Notes: (ia) Term loan from Indian bank is secured against exclusive hypothecation of plant & machinery purchased out of bank's finance along-with all other fixed assets of the company. It carries ROI @ 9.55% and payable in 24 monthly installments.  (ib) Term loan from Indian bank is secured against exclusive hypothecation of solar plant being purchased out of bank's finance. It carries  (ii) Vehicle loans are secured against vehicles. Generally carries ROI @ 11.5% payable in 60 installments.  These loans are further secured by Equitable Mortgage of land and building situated at 28-29, Xcelon Industrial Park-1, Behind Intas Pharmaceuticals, At. Vasna-Chachrawadi, TA Sanand admeasuring 1565 Sq. Mts.  Further secured by personal guarantees of Mr. Mayur Popatlal Sojitra, Mr. Vivek Ashokkumar Patel, Mr. Harshad Nanubhai Rathod, Mr. Hardik Mukundbhai Prajapati				
<b>Unsecured</b>				
Loan form Banks and NBFC's	221.31	282.23	20.89	-
Loan form directors and their relatives	-	300.84	28.10	18.00
	<b>221.31</b>	<b>583.07</b>	<b>48.99</b>	<b>18.00</b>
<b>Total Long Term Borrowings</b>	<b>287.86</b>	<b>691.07</b>	<b>286.70</b>	<b>289.85</b>

(Amount in Lakhs)

8	Long Term Provisions as Restated	As at 20 July 2024	As at 31 March 2024	As at 31 March 2023	As on 31 March 2022
	<b>Provision for employee benefits</b>				
	Provision for gratuity	10.63	10.07	4.38	3.35
	<b>Total</b>	<b>10.63</b>	<b>10.07</b>	<b>4.38</b>	<b>3.35</b>
9	Deferred tax liabilities/(asset) (Net) as Restated	As at 20 July 2024	As at 31 March 2024	As at 31 March 2023	As on 31 March 2022
	<b>Deferred tax asset</b>				
	Expenses provided but allowable in Income Tax on payment basis	-	-	-	-
	Provision for doubtful debts	-	-	-	-
	Provision for doubtful advances	-	-	-	-
	Difference between book depreciation & tax depreciation	-	-	-	-
	<b>Deferred tax asset (A)</b>	-	-	-	-
	<b>Deferred tax liability</b>				
	Difference between book depreciation & tax depreciation	2.48	2.48	(0.20)	0.18
	<b>Deferred tax liability (B)</b>	<b>2.48</b>	<b>2.48</b>	<b>(0.20)</b>	<b>0.18</b>
	<b>Net deferred tax liability/(asset) (A+B)</b>	<b>2.48</b>	<b>2.48</b>	<b>-0.20</b>	<b>0.18</b>
10	Short Term Borrowings as Restated	As at 20 July 2024	As at 31 March 2024	As at 31 March 2023	As on 31 March 2022
	<b>A Secured</b>				
	Cash Credit (Refer Notes (i) below)	495.40	416.08	373.97	222.61
	Current Maturities of Loan from banks and NBFC	101.75	91.41	165.33	248.30
	Current maturities of Vehicle Loan	4.25	4.15	3.76	-
	Bills Purchased	-	-	-	-
	<b>Total</b>	<b>601.40</b>	<b>511.64</b>	<b>543.07</b>	<b>470.90</b>
	<b>B Unsecured</b>				
	Current Maturities of Loan from banks and NBFC	201.87	145.51	16.81	-
	<b>Total</b>	<b>201.87</b>	<b>145.51</b>	<b>16.81</b>	<b>-</b>
	(i) Cash Credit from Indian Bank - The present and future stocks hypothecated with the bank for the sanction limit of Rs.6.50 crores in Cash credit account for the tenure of one year with the annual renewal option.				
11	Trade payables as Restated	As at 20 July 2024	As at 31 March 2024	As at 31 March 2023	As on 31 March 2022
	Total outstanding dues of micro, small and medium enterprises	-	-	-	-
	Total outstanding dues of creditors other than micro, small and medium enterprises	619.88	657.75	784.95	673.72
	<b>Total Trade payables</b>	<b>619.88</b>	<b>657.75</b>	<b>784.95</b>	<b>673.72</b>
	<b>NOTES:</b>				
	No informations is available with the Company regarding vendors to be classified as micro, small and medium enterprises. In absence of required information, no disclosures regarding micro, small and medium enterprises is made in these restated financial statements.				
	Refer note 11.1 for ageing analysis below				
12	Other current liabilities as Restated	As at 20 July 2024	As at 31 March 2024	As at 31 March 2023	As on 31 March 2022
	Advance from Customer	21.84	19.07	30.45	23.67
	Statutory Dues Payables	1.32	2.99	1.39	1.18
	Other payables	20.99	-	-	1.00
	<b>Total Other current liabilities</b>	<b>44.15</b>	<b>22.06</b>	<b>31.85</b>	<b>25.85</b>
13	Short Term Provisions as Restated	As at 20 July 2024	As at 31 March 2024	As at 31 March 2023	As on 31 March 2022
	<b>Provision for employee benefits</b>				
	Provision for gratuity	0.34	0.32	0.14	0.11
	<b>Other provisions</b>				
	Provision for Income tax (net of advance tax)	174.20	128.95	6.00	2.50
	<b>Total Short Term Provisions</b>	<b>174.54</b>	<b>129.27</b>	<b>6.14</b>	<b>2.61</b>

14 Property Plant & Equipment as Restated

(Amount in Lakhs)

Particulars	Gross Block			Depreciation			Net Block	
	As at	Additions	Disposals	As at	Upto	For the Year	On Disposals	
	Monday, April 1, 2024			Saturday, July 20, 2024				Monday, April 1, 2024
Freehold Land (*)	47.98	-	-	47.98	-	-	-	47.98
Buildings	162.53	45.88	-	208.41	4.52	1.55	-	202.34
Plant and Machinery	266.11	46.76	-	312.87	11.32	5.10	-	296.46
Plant and Machinery - Solar Plant	50.14	-	-	50.14	2.87	0.87	-	46.40
Furniture, Fixtures and Fittings	0.86	7.45	-	8.31	0.15	0.07	-	8.09
Office Equipment	5.23	10.34	-	15.57	0.46	0.55	-	14.56
Computers	-	-	-	-	-	-	-	-
Vehicles	14.95	-	-	14.95	1.22	0.70	-	13.03
<b>Grand Total</b>	<b>547.81</b>	<b>110.43</b>	<b>-</b>	<b>658.24</b>	<b>20.54</b>	<b>8.84</b>	<b>-</b>	<b>628.85</b>

(\*) Original title deed of immovable property is in name of the Company.

Property Plant & Equipment as Restated

(Amount in Lakhs)

Particulars	Gross Block			Depreciation			Net Block	
	As at	Additions	Disposals	As at	Upto	For the Year	On Disposals	
	Friday, December 15, 2023			Sunday, March 31, 2024				Friday, December 15, 2023
Freehold Land	47.98	-	-	47.98	-	-	-	47.98
Buildings	162.53	-	-	162.53	-	4.52	-	158.01
Plant and Machinery	260.14	5.97	-	266.11	-	11.32	-	254.80
Plant and Machinery - Solar Plant	50.14	-	-	50.14	-	2.87	-	47.27
Furniture, Fixtures and Fittings	0.86	-	-	0.86	-	0.15	-	0.71
Office Equipment	5.23	-	-	5.23	-	0.46	-	4.77
Computers	-	-	-	-	-	-	-	-
Vehicles	14.95	-	-	14.95	-	1.22	-	13.73
<b>Grand Total</b>	<b>541.84</b>	<b>5.97</b>	<b>-</b>	<b>547.81</b>	<b>-</b>	<b>20.54</b>	<b>-</b>	<b>527.27</b>

Property Plant & Equipment as Restated

(Amount in Lakhs)

Particulars	Gross Block			Depreciation			Net Block	
	As at	Additions	Disposals	As at	Upto	For the Year	On Disposals	
	Saturday, April 1, 2023			Thursday, December 14, 2023				Saturday, April 1, 2023
Freehold Land	47.98	-	-	47.98	-	-	-	47.98
Buildings	172.34	2.41	-	174.75	-	12.22	-	162.53
Plant and Machinery	290.67	-	-	290.67	-	30.53	-	260.14
Plant and Machinery - Solar Plant	68.04	-	-	68.04	-	17.90	-	50.14
Furniture, Fixtures and Fittings	1.71	0.10	-	1.81	-	0.94	-	0.86
Office Equipment	3.10	2.29	-	5.39	-	0.15	-	5.23
Computers	0.13	-	-	0.13	-	0.13	-	-
Vehicles	17.26	-	-	17.26	-	2.31	-	14.95
<b>Grand Total</b>	<b>601.23</b>	<b>4.80</b>	<b>-</b>	<b>606.03</b>	<b>-</b>	<b>64.19</b>	<b>-</b>	<b>541.84</b>

Property Plant & Equipment as Restated

(Amount in Lakhs)

Particulars	Gross Block			Depreciation			Net Block	
	As at	Additions	Disposals	As at	Upto	For the Year	On Disposals	
	Friday, April 1, 2022			Friday, March 31, 2023				Friday, April 1, 2022
Freehold Land	47.98	-	-	47.98	-	-	-	47.98
Buildings	201.23	8.96	-	210.19	19.12	18.72	-	172.34
Plant and Machinery	400.36	4.64	7.86	397.14	55.69	50.78	-	290.67
Plant and Machinery - Solar Plant	-	79.03	-	79.03	-	10.99	-	68.04
Furniture, Fixtures and Fittings	2.69	-	-	2.69	0.70	0.29	-	1.71
Office Equipment	8.44	1.63	-	10.08	3.81	3.17	-	3.10
Computers	1.56	-	-	1.56	0.98	0.45	-	0.13
Vehicles	2.37	23.56	-	25.93	0.74	7.93	-	17.26
<b>Grand Total</b>	<b>664.63</b>	<b>117.83</b>	<b>-</b>	<b>774.60</b>	<b>81.04</b>	<b>92.33</b>	<b>-</b>	<b>601.23</b>



## Property Plant &amp; Equipment as Restated

(Amount in Lakhs)

Particulars	Gross Block				Depreciation				Net Block
	As at	Additions	Disposals	As at	Upto	For the	On	Upto	As at
	Thursday, April 1, 2021			Thursday, March 31, 2022	Thursday, April 1, 2021	Year	Disposals	Thursday, March 31, 2022	Thursday, March 31, 2022
Freehold Land	47.98	-	-	47.98	-	-	-	-	47.98
Buildings	201.23	-	-	201.23	-	19.12	-	19.12	182.11
Plant and Machinery	375.41	24.95	-	400.36	-	55.69	-	55.69	344.67
Plant and Machinery - Solar Plant	-	-	-	-	-	-	-	-	-
Furniture, Fixtures and Fittings	2.69	-	-	2.69	-	0.70	-	0.70	2.00
Office Equipment	8.12	0.32	-	8.44	-	3.81	-	3.81	4.63
Computers	1.56	-	-	1.56	-	0.98	-	0.98	0.57
Vehicles	2.37	-	-	2.37	-	0.74	-	0.74	1.63
<b>Grand Total</b>	<b>639.36</b>	<b>25.27</b>	<b>-</b>	<b>664.63</b>	<b>-</b>	<b>81.04</b>	<b>-</b>	<b>81.04</b>	<b>583.59</b>

(Amount in Lakhs)

15	Long Term Loans and advances as Restated	As at 20 July 2024	As at 31 March 2024	As at 31 March 2023	As on 31 March 2022
	<b>Unsecured, Considered Good, Unless Otherwise Stated</b>				
	Security Deposits	13.38	13.38	3.91	2.55
	<b>Total</b>	<b>13.38</b>	<b>13.38</b>	<b>3.91</b>	<b>2.55</b>

(Note 12.1- During the reporting period of 31st March 2024 company as paid 8.97 lakh as deposit to Uttar Gujarat Vij Company Limited)

16	Other non-current assets as Restated	As at 20 July 2024	As at 31 March 2024	As at 31 March 2023	As on 31 March 2022
	<b>Unsecured, Considered Good, Unless Otherwise Stated</b>				
	Preliminary expenses (to the extent not written off)	19.95	5.45	-	-
	<b>Total</b>	<b>19.95</b>	<b>5.45</b>	<b>-</b>	<b>-</b>

(Note 13.1 - During the period ended on 20th July 2024 and 31/03/2024, company has incurred expenses pertain to Initial Public offer and expenses incidental to that. As per Accounting Policy followed by Company, Expenses are amortised over period of 5 years.)

17	Inventories as Restated	As at 20 July 2024	As at 31 March 2024	As at 31 March 2023	As on 31 March 2022
	Raw materials	750.79	808.09	481.85	430.12
	Work-in-progress	606.99	534.17	251.15	224
	Finished goods	80.37	105.32	43.39	38.74
	<b>Total</b>	<b>1,438.15</b>	<b>1,447.58</b>	<b>776.39</b>	<b>693.28</b>

18	Trade receivables as Restated	As at 20 July 2024	As at 31 March 2024	As at 31 March 2023	As on 31 March 2022
A	Outstanding for a period less than 6 months from the date they are due for receipt				
	Secured Considered good	-	-	-	-
	Unsecured Considered good	650.13	514.43	541.46	386.36
	Doubtful	-	-	-	-
	<b>Total (A)</b>	<b>650.13</b>	<b>514.43</b>	<b>541.46</b>	<b>386.36</b>
B	Outstanding for a period exceeding 6 months from the date they are due for receipt				
	Secured Considered good	-	-	-	-
	Unsecured Considered good	67.85	66.02	38.47	20.44
	Doubtful	-	-	-	-
	<b>Total (B)</b>	<b>67.85</b>	<b>66.02</b>	<b>38.47</b>	<b>20.44</b>
	Less: Provision for doubtful receivables	-	-	-	-
	<b>Total (A+B)</b>	<b>717.98</b>	<b>580.44</b>	<b>579.94</b>	<b>406.80</b>

Refer note 18.1 for ageing analysis

19	Cash and Bank Balances as Restated	As at 20 July 2024	As at 31 March 2024	As at 31 March 2023	As on 31 March 2022
A	<b>Cash and cash equivalents</b>				
	Cash and bank balances	8.48	9.16	3.64	12.45
	<b>Total (I)</b>	<b>8.48</b>	<b>9.16</b>	<b>3.64</b>	<b>12.45</b>
B	<b>Other bank balances</b>				
	Deposits with original maturity for more than 3 months but less than 12 months from reporting date	-	-	-	25.00
	<b>Total (II)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25.00</b>
	<b>Total Cash and bank balances (I+II)</b>	<b>8.48</b>	<b>9.16</b>	<b>3.64</b>	<b>37.45</b>

note for

20	Short Term Loans and advances as Restated	As at 20 July 2024	As at 31 March 2024	As at 31 March 2023	As on 31 March 2022
	<b>Unsecured, Considered Good, Unless Otherwise Stated</b>				
	Balance with government authorities	59.34	88.22	86.06	50.44
	Advances to suppliers	25.97	17.19	6.81	-
	Other Loans & Advances	22.17	15.90	-	-
	<b>Total</b>	<b>107.48</b>	<b>121.31</b>	<b>92.87</b>	<b>50.44</b>

Accretion Pharmaceuticals Limited

CIN: U24109MH2023PLC402307

Notes to Restated Financial Statements

11.1 TRADE PAYABLE AGEING

Particulars	As at 20 July 2024						
	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than	1-2 years	2-3 years	More than 3 years	Total
(i) MSME							-
(ii) Others			619.88	-	-	-	619.88
(iii) Disputed dues – MSME							-
(iv) Disputed dues - Others							-

Particulars	As at March 31, 2024						
	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than	1-2 years	2-3 years	More than 3 years	Total
(i) MSME							-
(ii) Others			657.37	0.38	-	-	657.75
(iii) Disputed dues – MSME							-
(iv) Disputed dues - Others							-

Particulars	As at March 31, 2023						
	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-						-
(ii) Others	-		780.42	4.53	-	-	784.95
(iii) Disputed dues – MSME							-
(iv) Disputed dues - Others							-

Particulars	As at March 31, 2022						
	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-						-
(ii) Others	-		669.85	3.87	-	-	673.72
(iii) Disputed dues – MSME							-
(iv) Disputed dues - Others							-

18.1 TRADE RECEIVABLE AGEING

Particulars	As at 20 July 2024						
	Outstanding for following periods from due date of payment#						
	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables considered good		650.13	0.94	31.55	3.39	31.97	717.98
(ii) Undisputed Trade receivables considered doubtful							-
(iii) Disputed Trade Receivables-considered good							-
(iv) Disputed Trade Receivables-considered doubtful							-

Particulars	As at March 31, 2024						
	Outstanding for following periods from due date of payment#						
	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables considered good		514.24	5.26	29.97	-	30.97	580.44
(ii) Undisputed Trade receivables considered doubtful			-	-	-	-	-
(iii) Disputed Trade Receivables-considered good							-
(iv) Disputed Trade Receivables-considered doubtful							-

Particulars	As at March 31, 2023						
	Outstanding for following periods from due date of payment#						
	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables considered good		541.46	3.05	17.98	17.45	-	579.94
(ii) Undisputed Trade receivables considered doubtful							-
(iii) Disputed Trade Receivables-considered good							-
(iv) Disputed Trade Receivables-considered doubtful							-

Particulars	As at March 31, 2022						
	Outstanding for following periods from due date of payment#						
	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables considered good		386.36	8.84	11.60	-	-	406.80
(ii) Undisputed Trade receivables considered doubtful		-	-	-	-	-	-
(iii) Disputed Trade Receivables-considered good							-
(iv) Disputed Trade Receivables-considered doubtful							-

(Amount in Lakhs)

21	Revenue from operations as Restated	Period ended 20 July 2024	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
	Sale of products				
	1 - Domestic sales*	1,165.28	3,117.09	2,933.26	2,229.20
	2 - Export sales *	21.82	249.34	5.17	-
	<b>Total</b>	<b>1,187.10</b>	<b>3,366.43</b>	<b>2,938.43</b>	<b>2,229.20</b>

(Note 21.1 - During the reporting period ended on 31st March 2024, 31st March 2023 and 31 March 20233, 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. worth Rs 2123.24 Lakhs, 1727.36 Lakhs and 628.25 Lakhs respectively.

(Note 21.2 - During the reporting period, company has made direct export in the countries such as Shrilanka, Curaçao and The Republic of Congo)

22	Other income as Restated	Period ended 20 July 2024	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
	Proceeds on surrender of Key man Insurance Policy		-		
	Interest income		-		
	Provision for Doubtful debts Written Back		-		
	Net gain on sale of Propert Plant and Equipment		-		
	Miscellaneous Income	1.91	27.34	14.72	29.22
	Advance from Customers written back		-		
	Gain on foreign exchange transactions and translation (net)		-		
	<b>Total Other income</b>	<b>1.91</b>	<b>27.34</b>	<b>14.72</b>	<b>29.22</b>

23	Cost of goods sold as Restated	Period ended 20 July 2024	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
	<b>Cost of raw material consumed</b>				
	<b>Raw material consumed</b>				
	Raw material consumed-Inventory at the beginning of the period/ year	808.95	481.85	430.12	337.91
	Add : Raw Material- Purchases during the period/ year	698.74	2,641.15	2,315.37	1,862.55
	Add: Direct expenses	70.54	191.00	102.69	90.95
		1,578.22	3,314.00	2,848.18	2,291.41
	Less: Inventory at the end of the period/ year	750.79	808.09	481.85	430.12
	<b>Cost of raw material consumed</b>	<b>827.43</b>	<b>2,505.91</b>	<b>2,366.33</b>	<b>1,861.29</b>
23(B)	<b>Changes in inventories of finished goods, work in progress and stock-in-trade</b>				
	<b>Inventories at the beginning of the period/ year:</b>				
(i)	Stock-in-trade				
	- Finished goods	105.32	43.39	38.74	23.24
	- Work in progress	534.17	251.15	224.42	134.65
	<b>(I)</b>	<b>639.49</b>	<b>294.54</b>	<b>263.16</b>	<b>157.90</b>
	<b>Inventories at the end of the period/ year:</b>				
	Stock-in-trade				
	- Finished goods	80.37	105.32	43.39	38.74
	- Work in progress	606.99	534.17	251.15	224.42
	<b>(II)</b>	<b>687.36</b>	<b>639.49</b>	<b>294.54</b>	<b>263.16</b>
	<b>(Increase)/decrease in inventories of finished goods, work-in-progress and stock-in-trade</b>	<b>(47.87)</b>	<b>(344.95)</b>	<b>(31.38)</b>	<b>(105.26)</b>

24	Employee benefits expense as Restated	Period ended 20 July 2024	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
	Salaries, wages, bonus and other allowances	97.56	244.95	235.86	183.43
	Contribution to provident and other funds	1.72	4.50	4.14	4.22
	Gratuity expenses	0.58	10.39	1.06	3.46
	Staff welfare expenses	2.54	2.04	6.34	4.90
	<b>Total Employee benefits expense</b>	<b>102.39</b>	<b>261.87</b>	<b>247.40</b>	<b>196.01</b>

	Period ended 20 July 2024	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
<b>25 Finance cost as Restated</b>				
<b>Interest expense</b>				
On term loan		-		-
On borrowings	41.90	106.17	102.50	99.78
On Vehicle Loan		-		-
On Cash Credit Account		-		-
Bank Charges	0.33	1.78	0.46	0.42
Other Borrowing Cost	0.01	7.43	4.68	1.46
<b>Total Finance cost</b>	<b>42.25</b>	<b>115.38</b>	<b>107.64</b>	<b>101.66</b>
<b>26 Depreciation and amortization expense as Restated</b>				
on Property Plant & Equipment	8.84	84.73	92.33	81.04
<b>Total Depreciation and amortization expense</b>	<b>8.84</b>	<b>84.73</b>	<b>92.33</b>	<b>81.04</b>
<b>27 Other Expenses as Restated</b>				
Power and fuel		-	-	-
Other manufacturing expenses		-	-	-
Advertisement expenses	-	-	1.62	-
Repairs and maintenance - Buildings	6.54	7.98	8.18	-
Repairs and maintenance - Machinery	8.91	56.31	53.73	40.88
Repairs and maintenance - Others	0.21	1.69	4.21	2.43
Inspection Charges	0.07	0.06	-	-
Insurance	0.55	2.76	2.32	1.60
Rent expenses	1.06	0.80	3.07	1.53
Rates and taxes	0.25	14.04	2.40	5.18
Travelling expenses	1.59	16.24	2.36	1.81
Auditor's remuneration				
- Audit	-	1.00	-	-
- For Taxation Matters	-	-	-	-
- For Certification	-	-	-	-
Legal and professional charges	1.65	18.66	11.64	4.87
Commission	-	1.57	10.03	8.37
Sales promotion expenses	-	-	2.96	-
Freight Outward	4.83	1.85	20.43	20.83
Preliminary expenses written off	-	1.36	-	-
Miscellaneous Expenses	17.91	70.42	34.02	25.79
<b>Total</b>	<b>43.55</b>	<b>194.76</b>	<b>156.95</b>	<b>113.28</b>

**28. Earnings Per Share**

Disclosure as required by Accounting Standard – AS 20 "Earnings Per Share" notified under The Companies (Accounting Standards) Rules, 2006 (as amended).

The Company has not issued any potential diluted equity share and therefore the Basic and Diluted earnings per Share will be the same. The earnings per share is calculated by dividing the profit after tax by weighted average number of shares outstanding

<b>Particulars</b>	<b>As at 20 July 2024</b>	<b>As at 31 March 2024</b>
Profit after tax (₹ In Lakhs)	156.73	387.53
Number of Equity Shares:		
As at the commencement of the year	4,000,000	-
Issued during the year	4,170,000	4,000,000
As at the end of the year	8,170,000	4,000,000
Weighted average number of equity shares during the year:		
Basic	7,886,216	4,000,000
Diluted	7,886,216	4,000,000
Earning per Equity Share of Rs. 10/- each		
Basic	<b>6.53</b>	<b>9.69</b>
Diluted	<b>6.53</b>	<b>9.69</b>

**29. Disclosure Pursuant to "Employee Benefit Expenses"**

**a) DEFINED CONTRIBUTION PLAN**

**Provident Fund:**

The Company makes provident fund contributions to a defined contribution retirement benefit plan for qualifying employees. The provident fund plan is operated by the Regional Provident Fund Commissioner. The plan envisages contribution by the employer and employees and guarantees interest at the rate notified by the Provident Fund Authority. The contribution by employer and employee, together with interest, are payable at the time of separation from service or retirement, whichever is earlier.

**b) DEFINED BENEFIT PLAN**

**Gratuity:**

The Company makes annual contribution to the the Gratuity fund administered through a master policy with the Life Insurance Corporation of India for the qualifying employees but it does not contribute fund towards the liability of the Directors. Gratuity is payable to all eligible employees on superannuation, death or on separation / termination at the rate of 15 days salary for each year of service subject to a maximum of Rs. 20 lakh.

The company operates a defined benefit gratuity plan for it's employees and is governed by the Payment of Gratuity Act, 1972. The liability for the Defined Benefit Plan is provided on the basis of actuarial valuation, using the projected unit credit method, as at the balance sheet date, carried out by an independent actuary.

**c) Basis Used to Determine Expected Rate of Return on Assets:**

The expected return on plan assets is determined based on several factors like the composition of plan assets held, assessed risks of asset management, historical results of the the return on plan assets and the Company's policy for plan asset management.

**d) Amounts Recognised as Expense:**

**i) Defined Contribution Plan**

Employer's Contribution to Provident Fund amounting to Rs. 1.74 lakh, Rs. 4.44 lakh, Rs. 4.14 lakh and Rs. 4.22 Lakhs for the period/year ended July 20, 2024, March 31, 2024, 2023, 2022 respectively has been included in Note 24 under Contribution to Provident Fund and Other Funds.

**ii) Defined Benefit Plan**

Gratuity amounting to Rs. Nil, Rs. 10.39 lakh, Rs. 1.06 lakh and Rs. 3.46 lakh for the period/year ended July 20, 2024, March 31, 2024, 2023, 2022 respectively has been included in Note 23 under Gratuity Expense.



(Amount in Lakhs.)

29 Employee Benefit Expenses (Continued)		Gratuity			
		As at 20 July 2024 (*)	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
e) The amounts recognized in the Company's financial statements as at year end are as under:					
<b>i) Change in Present Value of Obligation</b>					
Present value of the obligation at the beginning of the period / year		10.39	4.52	3.46	-
Interest Cost		0.18	0.33	0.25	-
Current Service Cost		1.12	4.92	0.84	3.46
Benefit Paid From the Fund		-	-	-	-
Actuarial (Gain) / Loss on Obligation - Due to change in Demographic Assumption		-0.73	0.61	-0.03	-
Actuarial (Gain) / Loss on Obligation - Due to change in Financial Assumption		-	-	-	-
Actuarial (Gain) / Loss on Obligation - Due to Experience		-	-	-	-
Present value of the obligation at the end of the period / year		<b>10.96</b>	<b>10.39</b>	<b>4.52</b>	<b>3.46</b>
<b>ii) Change in Plan Assets</b>					
Fair value of Plan Assets at the beginning of the period / year		-	-	-	-
Plan Assets taken over pursuant to Scheme of Amalgamation		-	-	-	-
Adjustment to Opening Balance		-	-	-	-
Expected return on Plan Assets		-	-	-	-
Contributions by the Employer		-	-	-	-
Benefit Paid From the Fund		-	-	-	-
Actuarial Gain / (Loss) on Plan Assets		-	-	-	-
Actuarial (Gain) / Loss on Obligation - Due to Experience		-	-	-	-
Benefits Paid		-	-	-	-
Fair value of Plan Assets at the end of the period / year		-	-	-	-
<b>iii) Amounts Recognised in the Balance Sheet:</b>					
Present value of Obligation at the end of the period / year		10.96	10.39	4.52	3.46
Fair value of Plan Assets at the end of the period / year		-	-	-	-
Net Obligation at the end of the period / year		<b>10.96</b>	<b>10.39</b>	<b>4.52</b>	<b>3.46</b>
<b>iv) Expenses Recognised in the Statement of Profit and Loss:</b>					
Interest Cost on Obligation		0.18	0.33	0.25	-
Current Service Cost		1.12	4.92	0.84	3.46
Expected return on Plan Assets		-0.73	0.61	-0.03	-
Net Actuarial (Gain) / Loss recognised in the period / year		-	-	-	-
<b>Net Cost Included in Personnel Expenses</b>		<b>0.58</b>	<b>5.86</b>	<b>1.06</b>	<b>3.46</b>
<b>v) Actual Return on Plan Assets</b>		-	-	-	-
<b>vi) Estimated contribution to be made in next financial year</b>					
<b>vii) Actuarial Assumptions</b>					
i) Discount Rate		7.00%	7.00%	7.30%	7.30%
ii) Expected Rate of Return on Plan Assets		N.A.	N.A.	N.A.	N.A.
iii) Salary Escalation Rate		5.00%	5.00%	5.00%	5.00%
iv) Employee Turnover		2.00% p.a. for all service groups.	2.00% p.a. for all service groups.	2.00% p.a. for all service groups.	2.00% p.a. for all service groups.
v) Mortality		Indian Assured Lives Mortality (2012-14) UI	Indian Assured Lives Mortality (2012-14) UI	Indian Assured Lives Mortality (2006-08) UI	Indian Assured Lives Mortality (2006-08) UI

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

viii) Experience Adjustments (Gain) / Loss**:		On Plan Liabilities	On Plan Assets
Mar-22		-	-
Mar-23		-0.03	-
Mar-24		0.61	-
20 July 2024		-0.73	-

\* Valuation is done as on 30th June 2024

\*\*Note: Details on Experience Adjustment is given only to the extent information available.

**30. RELATED PARTY DISCLOSURES**

As required under Accounting Standard 18 "Related Party Disclosure" (AS-18), following are the details of transactions during the year with the related parties of the Company as defined in AS 18 :

**A) Related Parties and their Relationship**

**(a) Key Managerial Personnel**

Sr. No	Name of the related parties	Relations
1	Mr. Harshad N Rathod	Promotor
2	Mr. Mayur P Sojitra	Promotor
3	Mr. Vivek A Patel	Promotor
4	Mr. Hardik M Prajapati	Promotor

**(b) Relatives of Key Managerial Personnel**

Sr. No	Name of the related parties	Relations
1	Mrs. Pooja H Rathod	Relative of director
2	Mrs. Shweta M Sojitra	Relative of director
3	Mrs. Ankita V Patel	Relative of director
4	Mrs. Vaishaki H Prajapati	Relative of director
5	Madhavdas Ghetiya	Relative of director
6	Madhavdas Ghetiya HUF	Relative of director
7	Rekhaben Ghetiya	Relative of director

**(c) Entities where control exists**

Sr. No	Name of the related parties	Relations
1	Accretion Nutraveda Pvt Ltd	Common Director

**B) Disclosure in respect of transactions with Related Parties:**

(Amount in Lakhs.)

Nature of Transaction	As at 20 July 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
<b>Directors Remuneration</b>				
Mr. Harshad N Rathod	4.00	2.75	-	-
Mr. Mayur P Sojitra	4.00	2.75	-	-
Mr. Vivek A Patel	4.00	2.75	-	-
Mr. Hardik M Prajapati	4.00	2.75	-	-
<b>Partner's Remuneration</b>				
Mr. Harshad N Rathod	-	-	4.00	3.50
Mr. Mayur P Sojitra	-	-	4.00	3.50
Mr. Vivek A Patel	-	-	4.00	3.50
Mr. Hardik M Prajapati	-	-	4.00	3.50
<b>Salary</b>				
Mrs. Pooja H Rathod	2.00	1.50	7.00	6.50
Mrs. Shweta M Sojitra	2.00	1.50	7.00	6.50
Mrs. Ankita V Patel	2.00	1.50	7.00	6.50
Mrs. Vaishaki H Prajapati	2.00	1.50	7.00	6.50
<b>Interest paid on capital</b>				
Mr. Harshad N Rathod	-	-	10.08	9.76
Mr. Mayur P Sojitra	-	-	10.26	10.95
Mr. Vivek A Patel	-	-	10.31	10.96
Mr. Hardik M Prajapati	-	-	9.19	6.77
<b>Interest paid on loan</b>				
Mr. Harshad N Rathod	2.54	-	-	-
Mr. Mayur P Sojitra	2.40	-	-	-
Mr. Vivek A Patel	2.56	-	-	-
Mr. Hardik M Prajapati	2.31	-	-	-
Madhavdas Ghetiya	-	-	1.08	1.08
Madhavdas Ghetiya HUF	-	-	-	0.48
Rekhaben Ghetiya	-	-	1.08	1.08
(#before conversion all partner had agreed not to provide any interest on capital as same capital was to be converted into share capital of new company)				
	-	-	-	-
<b>Loan Taken from Directors</b>				
Mr. Harshad N Rathod	3.00	110.56	-	-
Mr. Mayur P Sojitra	-	108.35	-	-
Mr. Vivek A Patel	3.00	111.89	-	-
Mr. Hardik M Prajapati	0.75	105.93	-	-
<b>Loan Repaid</b>				
Mr. Harshad N Rathod	82.13	-	-	-
Mr. Mayur P Sojitra	76.78	-	-	-
Mr. Vivek A Patel	83.47	-	-	-
Mr. Hardik M Prajapati	75.02	-	-	-
<b>Loan Taken from relatives</b>				
Madhavdas Ghetiya	-	-	-	9.00
Madhavdas Ghetiya HUF	-	-	-	-
Rekhaben Ghetiya	-	-	-	9.00

<b>Purchase of goods from entities where control exists</b>					
	Accretion Nutraveda Pvt Ltd	19.23	34.56	-	-
<b>Sale of goods to entities where control exists</b>					
	Accretion Nutraveda Pvt Ltd	41.32	45.12	-	-
<b>Equity contribution</b>					
	Mr. Harshad N Rathod	75.00	96.00	-	-
	Mr. Mayur P Sojitra	75.00	96.00	-	-
	Mr. Vivek A Patel	75.00	96.00	-	-
	Mr. Hardik M Prajapati	75.00	96.00	-	-
	Mrs. Pooja H Rathod	-	4.00	-	-
	Mrs. Shweta M Sojitra	-	4.00	-	-
	Mrs. Ankita V Patel	-	4.00	-	-
	Mrs. Vaishaki H Prajapati	-	4.00	-	-
		<b>300.00</b>	<b>400.00</b>	-	-
<b>Bonus shares issued</b>					
	Mr. Harshad N Rathod	93.15	-	-	-
	Mr. Mayur P Sojitra	93.15	-	-	-
	Mr. Vivek A Patel	93.15	-	-	-
	Mr. Hardik M Prajapati	93.15	-	-	-
	Mrs. Pooja H Rathod	3.60	-	-	-
	Mrs. Shweta M Sojitra	3.60	-	-	-
	Mrs. Ankita V Patel	3.60	-	-	-
	Mrs. Vaishaki H Prajapati	3.60	-	-	-
		<b>387.00</b>	-	-	-
<b>C) Disclosure in respect of Outstanding Balances of Related Parties</b>					
<b>Particulars</b>		<b>As at 20 July 2024</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
<b>1</b>	<b>Loan from Directors</b>				
	Mr. Harshad N Rathod	-	76.59	-	-
	Mr. Mayur P Sojitra	-	74.38	-	-
	Mr. Vivek A Patel	-	77.92	-	-
	Mr. Hardik M Prajapati	-	71.96	-	-
<b>2</b>	<b>Loan Taken from relatives</b>				
	Madhavdas Ghetiya	-	-	9.00	9.00
	Rekhaven Ghetiya	-	-	9.00	9.00
<b>3</b>	<b>Trade receivable</b>				
	Accretion Nutraveda Pvt Ltd	-	0.02	-	-
<b>4</b>	<b>Trade payable</b>				
	Accretion Nutraveda Pvt Ltd	14.61	-	-	-

\* amount less than ` 0.01 lakh

31. CONTINGENT LIABILITIES

(Amount in Lakhs.)

	As at 20 July 2024	As at 31 March 2024	As at 31 March 2023	As on 31 March 2022
<b>a) GUARANTEES</b>				
1) Guarantees given by the Company to the bankers against which fixed deposits have been placed with the bank under lien.	-	-	-	-
2) Letter of credit outstanding given by the Company to the bankers against which fixed deposits have been placed with the bank under lien.	-	-	-	-

**32 SEGMENT REPORTING**

**a** Primary segment reporting by business segment:

The Company is engaged only in manufacturing and sale of pharmaceutical products and there are no separate reportable segments as per Accounting Standard (AS) 17 'Segm

**b** Secondary segment reporting by geographical segment:

Segment-wise Revenue from Operations and Sales:

(Amount in Lakhs.)

Particulars	Period ended 20 July 2024	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from customers outside India	22.20	249.34	5.17	-
Revenue from customers within India	1,164.89	3,117.09	2,933.26	2,229.20

**33 ADDITIONAL DISCLOSURES**

(i) Title deeds of Immovable Property are held in name of the Company.

(ii) The Company has not revalued its Property, Plant and Equipment, during the audited period.

(iii) The Company does not have any Intangible assets under development.

(iv) The Company has not granted any Loans or Advances in the nature of loans to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are (a) repayable on demand or (b) without specifying any terms or period of repayment.

(v) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(vi) The Company has borrowings from banks on the basis of hypothecation of stock and book debts.

(vii) The Company has not declared willful defaulter by any bank or financial institution or other lender.

(viii) Based on the information available with the Company, the Company does not have any transactions with companies struck off u/s 248 of the Companies Act, 2013.

(ix) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(x) The Company has not entered into any scheme of arrangement therefore approval of competent authority in terms of sections 230 to 237 of the Companies Act, 2013 is not required.

(xi) The Company has not traded or invested in Crypto currency or Virtual Currency during the audited period.

(xii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(xiii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(xiv) The Company has not entered into any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

**34 RESTATED STATEMENT ON ACCOUNTING RATIOS**

	As at 20 July 2024	As at 31 March 2024*	As at 31 March 2023*	31 March 2022
Revenue from Operations <sup>(1)</sup>	1,187.10	1,335.25	2,938.43	2,229.20
Total Revenue	1,189.00	1,340.71	2,953.15	2,258.42
EBITDA <sup>(2)</sup>	263.50	241.41	213.85	193.11
EBITDA Margin (%) <sup>(3)</sup>	22.20%	18.08%	7.28%	8.66%
PAT	156.73	134.76	10.39	7.90
PAT Margin (%) <sup>(4)</sup>	13.20%	10.09%	0.35%	0.35%
Trade Receivables days <sup>(5)</sup>	64.39	46.28	72.04	66.61
Inventory days <sup>(6)</sup>	128.97	115.41	96.44	113.51
Trade Payable days <sup>(7)</sup>	94.44	63.92	123.74	132.03
Return on equity (%) <sup>(8)</sup>	15.81	25.20	2.70	2.57
Return on capital employed (%) <sup>(9)</sup>	12.23	11.73	9.87	10.49
Debt-Equity Ratio (times) <sup>(10)</sup>	1.10	2.52	2.20	2.47
Current Ratio (times) <sup>(11)</sup>	1.38	1.47	1.05	1.01

*Notes:*

*(1) Revenue from operation means revenue from sale of the products*

*(2) EBITDA is calculated as Profit before tax + Depreciation + Finance Costs*

*(3) EBITDA Margin is calculated as EBITDA divided by Total Revenue*

*(4) PAT Margin is calculated as PAT for the period/year divided by Total Revenue*

*(5) Trade receivable days is calculated as average trade receivables divided by Total Revenue multiplied by 365 for*

*(6) Inventory days is calculated as average inventory divided by cost of goods sold multiplied by 365 for fiscal years.*

*(7) Trade payable days is calculated as average trade payables divided by cost of goods sold multiplied by 365 for*

*(8) Return on Equity is calculated by comparing the proportion of net income against the amount of shareholder equity*

*(9) Return on Capital Employed is calculated as follows: Profit for the period/ year plus finance cost plus tax expenses*

*(10) Debt to Equity ratio is calculated as Total Debt divided by equity*

*(11) Current Ratio is calculated by dividing Current assets to Current Liabilities*

**35 MATERIAL REGROUPING**

Appropriate adjustments have been made in the Restated Summary Statement of Assets and Liabilities, Profit and Loss and Cash Flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings/ disclosures as per the Audited Financial Statements of the Company.

36

**RESTATED STATEMENT OF TAX SHELTER :**

Sr No.	Particulars	Period ended 20 July 2024	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
<b>A</b>	Profit before taxes as restated	212.41	576.17	13.88	10.40
<b>B</b>	Normal Corporate Tax Rate (%)	25.17%	25.17%	25.17%	25.17%
<b>C</b>	MAT Rate (%)	0.00%	0.00%		0.00%
	<b>Adjustments:</b>				
<b>D</b>	<b>Permanent Differences</b>				
	Expenses Disallowed under the Income Tax Act, 1961	0.00	0.00	0.00	0.00
	Interest on Income Tax	0.00	0.00	0.00	0.00
	Donation	0.00	0.00	0.00	0.00
	<b>Total Permanent Differences</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>E</b>	<b>Income Considered Separately</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>F</b>	<b>Timing Difference</b>				
	Depreciation as per Books	8.84	84.73	92.33	81.04
	Depreciation as per Income Tax	0.00	95.52	90.81	82.23
	Gratuity	0.58	10.39	1.06	3.46
	<b>Total Timing Differences</b>	<b>8.84</b>	<b>-10.79</b>	<b>1.52</b>	<b>-1.19</b>
<b>G</b>	<b>Net Adjustment (D+E+F)</b>	<b>8.84</b>	<b>-10.79</b>	<b>1.52</b>	<b>-1.19</b>
<b>H</b>	<b>Tax Expenses / (Saving) thereon (G x B)</b>	<b>2.23</b>	<b>-2.72</b>	<b>0.38</b>	<b>-0.30</b>
<b>I</b>	<b>Income from other sources</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>J</b>	<b>Exempt Income</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>K</b>	<b>Income / (Loss) (A+G+I-J)</b>	<b>221.25</b>	<b>565.38</b>	<b>15.39</b>	<b>9.22</b>
<b>L</b>	Brought Forward Loss Set off				
	- Ordinary Business Loss	0.00	0.00	0.00	0.00
	- Long Term Capital Loss	0.00	0.00	0.00	0.00
	- Unabsorbed Depreciation	0.00	0.00	0.00	0.00
	<b>Total (L)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>M</b>	Allowable Deduction under the Income Tax Act	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>N</b>	Profit/(Loss) as per Income tax (K-L)	221.25	565.38	15.39	9.22
<b>O</b>	Tax as per Normal Provision	55.68	142.29	3.87	2.32
<b>P</b>	MAT Credit Utilized	0.00	0.00	0.00	0.00
<b>Q</b>	<b>Tax Liability, After Considering the effect of MAT Credit (O-P)</b>	<b>55.68</b>	<b>142.29</b>	<b>3.87</b>	<b>2.32</b>
<b>R</b>	Book Profit as per MAT	212.41	576.17	388.86	13.88
<b>S</b>	Tax liability as per MAT (R x C)	0.00	0.00	0.00	0.00
	Current tax being higher of "O" or "S"	55.68	142.29	3.87	2.32
	Loss to be carried forward	0.00	0.00	0.00	0.00
	MAT credit entitlement	0.00	0.00	0.00	0.00
	Total Tax as per Return of Income (Before interest under section 234A, B and C of the Income Tax Act, 1961)	(Note-3)	(Note-3)	(Note-3)	(Note-3)
<b>T</b>	<b>Tax paid as per "MAT" or "Normal Provision"</b>	Normal Provision	Normal Provision	Normal Provision	Normal Provision

**Notes:-**

- The aforesaid statement of tax shelters has been prepared as per the restated statement of profits and losses of the Company. The permanent/timing differences have been computed considering the acknowledged copies of the income-tax return of the respective years stated above. The changes in the tax liability and the interest thereon arising on account of assessment proceedings, notices, appeals etc. has been adjusted in the tax liability of the year to which the liability pertains.
- The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, restated statement of cash flow, significant accounting policies and notes to restated summary statements as appearing in Annexures 1, 2, 3 and 4(A) respectively.
- As the Income Tax return is not yet filed by the Company for the period June 30, 2024, the actual tax payment in Income tax return filed by the company can not be determined.  
As the Income Tax return is not yet filed by the Company for the year March 31, 2024, the actual tax payment in Income tax return filed by the company can not be determined.

37

**RESTATED STATEMENT OF CAPITALIZATION :**

		Rs. In Lakhs	
Particulars	Pre-Issue figures	As Adjusted for the proposed issue	
<b>Debt</b>			
Short Term Debt	803.27	701.52	
Long Term Debt	287.86	229.79	
<b>Total Debt</b>	<b>1,091.13</b>	<b>931.31</b>	
<b>Shareholder's Funds</b>			
Share Capital	817.00		[]
Reserve and Surplus-As Restated	174.49		[]
<b>Total Shareholder's Fund</b>	<b>991.49</b>		<b>0.00</b>
<b>Long Term Debt/Shareholder's Fund</b>	<b>0.29</b>		[]
<b>Total Debt/Shareholder's Fund</b>	<b>1.10</b>		[]

**Notes:**

(1) Short term Debts represent the debts which are expected to be paid/payable within 12 months and includes installment of term loans repayable within 12 months.

(2) Long term Debts represent debts other than Short term Debts as defined above.

(3) The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at July 20,

(4) The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, restated statement of cash flow, significant accounting policies and notes to restated summary statements as appearing in Annexures 1, 2, 3 and 4(A) respectively.



## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements for the period starts from April 01, 2024 to July 20 2024 and for the period ended March 31, 2022, March 31, 2023 and March 31, 2024, included in this Draft Red Herring Prospectus, prepared in accordance with the Companies Act and Indian GAAP and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexure and notes thereto and the reports thereon, included in the section titled – “Financial Statements” beginning on page 229 of this Draft Prospectus. Our Company’s Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Year or Fiscal are to the twelve months ended March 31 of that year. Indian GAAP differs in certain material aspects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Prospectus, nor do we provide reconciliation of our financial statements to those under U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with the Companies Act, Indian GAAP and SEBI ICDR Regulations. This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in “Risk Factors” and “Forward-Looking Statements” beginning on pages 34 and 21 of this Draft Prospectus respectively. In this section, unless the context otherwise requires, any reference to “we”, “us” or “our” refers to Accretion Pharmaceuticals Limited, our Company.*

### **Business Overview**

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 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.

The Corporate Identification Number of our Company is U21004GJ2023PLC146545

Presently our Company is engaged in the business of manufacturing, processing, trade, sale, purchase, import, export, assemble, distribute, formulate, develop, consult, test and deal in all kind of Drugs, Pharmaceuticals, Ayurvedic, Nutraceutical, Pesticides, Dyestuffs, drugs, nutriments, nutraceuticals, dietary supplements, allopathy, ayurvedic, herbal, wellness , cosmetic homeopathy and or veterinary, including bulk drugs, and intermediates, organic compounds acids, vitamins, medicines from fermentation products, diagnostics, chemicals related to medicines, Chemical contraceptives, acids, alkalis, manure antibodies, bandages, medical cotton, gauge, crutches and various types of

anatomical, orthopaedic or surgical instruments, implants, mother tincture preparations, globules, creams, scents, soaps, lotions, toiletry goods and related products thereto.

Our Company is promoted by Mr. Vivek Ashok Kumar Patel, Mr. Harshad Nanubhai Rathod, Mr. Mayur Popatlal Sojitra and Mr. Hardik Mukundbhai Prajapati who owns and controls our Company.

On the basis of our restated standalone financial statements, our total revenue from operations for FY 2021-2022, FY 2022-2023 and FY 2023-2024 was ₹ 2,229.20 Lakhs, ₹ 2,938.43 Lakhs and ₹ 3,366.52 Lakhs respectively and our net profit/ (loss) for FY 2021-2022, FY 2022-2023 and FY 2023-2024, was ₹ 7.90 Lakhs, ₹ 10.39 Lakhs and ₹ 465.77 Lakhs respectively and for the period starts from April 01, 2024 to July 20, 2024 our total revenue from operations is ₹ 1,187.10 Lakhs and our net profit/ (loss) for the same period is ₹ 156.73 Lakhs.

### **Our key strengths**

We believe the following are our key strengths:

- Promoter's has depth knowledge of product line.
- Our Promoter's network in the trading community
- Experienced and qualified management team
- Existing client and supplier relationships

For further details, kindly refer the section titled "Risk Factors" beginning on page 34 of this Draft Red Herring Prospectus and the chapter titled "Business Overview" beginning on page 141 of this Draft Red Herring Prospectus.

### **Our key strategies**

Our key strategic initiatives are as under:

- Increase geographical presence
- Diversify our Product Portfolio
- Better working capital management
- Leveraging our Market skills and Relationships

### **SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO JULY 20, 2024 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS**

No circumstances have arisen since the date of the last Restated Financial Statements as disclosed in this Draft Red Herring Prospectus which materially and adversely affects or is likely to affect, our trading or profitability, or the value of our assets or our ability to pay our liabilities within the next 12 months of the date of the last Restated Financial Statements as disclosed in this Draft Red Herring Prospectus. There is no development subsequent to June 20, 2024 that we believe is expected to have a material impact on the reserves, profits, earnings per share and book value of our Company.

### **FACTORS AFFECTING OUR BUSINESS, RESULTS OF OPERATIONS AND FINANCIAL CONDITION**

The business of our Company is subject to various risks and uncertainties including those discussed in section titled "Risk Factors" on page 34 of this Draft Prospectus. Our financial condition and results of operations are affected by various factors of which the following are of particular importance:

- We face competition in our business from organized and unorganized players, which may adversely affect our business operation and financial condition.
- Not entering into any long term contracts with any of our customers and typically operating on the basis of purchase order basis could adversely impact our revenue and profitability
- Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.
- Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.
- Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.
- A slowdown in economic growth in India and globally could cause our business to suffer.

**Our Significant Accounting Policies:** Our significant accounting policies are described in the section titled “*Financial Statements*” on page 229 of this Draft Prospectus.

**Change in accounting policies in previous 3 (three) years:** Except as mentioned in chapter “Financial Statements” on page 229 of this Draft Prospectus, there has been no change in accounting policies in last 3 (three) years.

#### **SUMMARY AND COMPARISON OF SIGNIFICANT ITEMS OF INCOME AND EXPENDITURE OF THE COMPANY**

The following table sets forth selected financial data from our restated standalone profit and loss accounts for financial years ended 2022, 2023 and 2024 and for the period ended July 20, 2024:

Particulars	For the Period / Financial Year ended									
	For Period April 01, 2024 to July 20, 2024 (Amount in Lakhs)		March 31 2024 (Amount in Lakhs)			March 31 2023 (Amount in Lakhs)			March 31 2022 (Amount in Lakhs)	
	₹ in lakhs	% to TI*	₹ in lakhs	% to TI*	% Change**	₹ in lakhs	% to TI*	% Change**	₹ in lakhs	% to TI*
<b>I. TOTAL INCOME</b>										
Revenue from Operations	₹ 1,187.10	99.84%	₹ 3,366.52	99.19%	14.57%	₹ 2,938.43	99.50%	31.82%	₹ 2,229.20	98.71%
Other Income	₹ 1.91	0.16%	₹ 27.34	0.81%	85.70%	₹ 14.72	0.50%	-49.61%	₹ 29.22	1.29%
<b>Total income</b>	<b>₹ 1,189.00</b>	<b>100.00%</b>	<b>₹ 3,393.86</b>	<b>100.00%</b>	<b>14.92%</b>	<b>₹ 2,953.15</b>	<b>100.00%</b>	<b>30.76%</b>	<b>₹ 2,258.42</b>	<b>100.00%</b>
<b>II. EXPENDITURE</b>										
Cost of Material & Consumable Consumed	₹ 827.43	69.59%	₹ 2,505.91	73.84%	5.90%	₹ 2,366.33	80.13%	27.13%	₹ 1,861.29	82.42%
Change in Inventories	-₹ 47.87	-4.03%	-₹ 344.95	-10.16%	999.27%	-₹ 31.38	-1.06%	-0.70	-₹ 105.26	-4.66%
Employees Benefit Expenses	₹ 102.39	8.61%	₹ 261.87	7.72%	5.85%	₹ 247.40	8.38%	26.22%	₹ 196.01	8.68%
Finance Costs	₹ 42.25	3.55%	₹ 115.38	3.40%	-65.50%	₹ 107.64	3.64%	5.88%	₹ 101.66	4.50%
Depreciation & Amortisation Expenses	₹ 8.84	0.74%	₹ 84.73	2.50%	-8.23%	₹ 92.33	3.13%	13.92%	₹ 81.04	3.59%
Other Expenses	₹ 43.55	3.66%	₹ 194.76	5.74%	24.09%	₹ 156.95	5.31%	38.54%	₹ 113.28	5.02%
<b>Total Expenses</b>	<b>₹ 976.59</b>	<b>82.14%</b>	<b>₹ 2,817.69</b>	<b>83.02%</b>	<b>-6.80%</b>	<b>₹ 2,939.27</b>	<b>99.53%</b>	<b>30.75%</b>	<b>₹ 2,248.02</b>	<b>99.54%</b>
<b>Profit/ (Loss) Before Tax</b>	<b>₹ 212.41</b>	<b>17.86%</b>	<b>₹ 576.17</b>	<b>16.98%</b>	<b>4614.47%</b>	<b>₹ 13.88</b>	<b>0.47%</b>	<b>33.47%</b>	<b>₹ 10.40</b>	<b>0.46%</b>
Less: Tax Expenses										
(1) Current Tax	₹ 55.68	4.68%	₹ 185.96	5.48%	4700.13%	₹ 3.87	0.13%	67.04%	₹ 2.32	0.10%
(2) Tax related to previous year	₹ 0.00	0.00%	₹ 0.00	0.00%	0.00%	₹ 0.00	0.00%	0.00%	₹ 0.00	0.00%
(3) Deferred Tax	₹ 0.00	0.00%	₹ 2.68	0.08%	-803.65%	-₹ 0.38	-0.01%	-307.59%	₹ 0.18	0.01%
<b>Total Tax Expenses</b>	<b>₹ 55.68</b>	<b>4.68%</b>	<b>₹ 188.64</b>	<b>5.56%</b>	<b>5299.52%</b>	<b>₹ 3.49</b>	<b>0.12%</b>	<b>39.60%</b>	<b>₹ 2.50</b>	<b>0.11%</b>
<b>Profit/ (Loss) for the Year</b>	<b>₹ 156.73</b>	<b>13.18%</b>	<b>₹ 387.53</b>	<b>11.42%</b>	<b>4384.06%</b>	<b>₹ 10.39</b>	<b>0.35%</b>	<b>31.52%</b>	<b>₹ 7.90</b>	<b>0.35%</b>

## COMPARISON OF HISTORICAL RESULTS OF OPERATIONS

### FINANCIAL YEAR ENDED ON MARCH 31, 2024 COMPARED TO YEAR ENDED ON MARCH 31, 2023

**Note 1:** Since Our Company was incorporated on November 29, 2023 hence comparison of Historical results of operations is not available for our company itself. Comparison of Historical results is given hereunder for Partnership Firm of promoters which was converted to our company hence comparison in financials figures given hereunder for the year ended March 31, 2024 and March 31, 2023 of Partnership Firm Namely M/S Accretion Pharmaceuticals.

#### 1) Total Revenue

Our total revenue increased to ₹ 3,393.86 lakhs for the year ended on March 31, 2024, as compared to ₹ 2,953.15 Lakhs for the year ended on March 31, 2023.

#### 2) Total Expenditure

Our total expenditure decreased to ₹2,817.69 Lakhs for the year ended on March 31, 2024, as compared to ₹ 2,939.27 Lakhs for the year ended on March 31, 2023. Total expenditure for the year ended on March 31, 2024 stood at 83.02% of the total revenue as compared to 99.53% for the year ended on March 31, 2023.

#### 3) Revenue from operations

Our revenue from operations increased to ₹ 3,366.52 lakhs for the year ended on March 31, 2024, as compared to ₹ 2,938.43 Lakhs for the year ended on March 31, 2023. The increase in the Operating Revenue is primarily due to increase in Domestic and Export Sales.

#### 4) Other income

Our Other Income increased to ₹ 27.34 Lakhs for the year ended on March 31, 2024, as compared to ₹ 14.72 Lakhs for the year ended on March 31, 2023.

#### 5) Cost of Material & Consumable Consumed

Cost of Material & Consumable Consumed as a percentage of total income is 73.84% during the year ended March 31, 2024. In absolute terms, Cost of Material & Consumable Consumed was ₹ 2,505.91 Lakhs during the year ended March 31, 2024. During the year ended March 31, 2023, there was Cost of Material & Consumable Consumed was ₹ 2,366.33 lakhs which is 80.13% of total income.

#### 6) Employee Benefit Expenses

Employee Benefit Expenses as a percentage of total income is 7.72% during the year ended March 31, 2024. In absolute terms, Employee Benefit Expenses was ₹ 261.87 Lakhs during the year ended March 31, 2024. During the year ended March 31, 2023, Employee Benefit Expenses was ₹ 247.40 lakhs which is 8.38% of total income. Increase in the employee benefit expenses is due to increase in Salary, wages, Bonus, other allowances and gratuity expenses.

#### 7) Other Expenses

Other expenses as a percentage of total income is 5.74% during the year ended March 31, 2024. In absolute terms, Other Expenses was ₹ 194.76 Lakhs during the year ended March 31, 2024. During the year ended March 31, 2023, Other Expenses was 5.31% of Total Income. In absolute terms, Other Expenses was ₹ 156.95 Lakhs during the year ended March 31, 2023. This increase is due to increase in taxes, travelling expenses, legal and professional charges etc.

#### 8) Profits Before Tax

Profits before tax as a percentage of total income is 16.98% during the year ended March 31, 2024. In

absolute terms, Profit before tax was ₹ 576.17 Lakhs during the year ended March 31, 2024. During the year ended March 31, 2023, Profits before tax was 0.47% of Total Income. In absolute terms, Profit before tax was ₹ 13.88 Lakhs during the year ended March 31, 2023.

#### **9) Profits After Tax**

Profits After tax as a percentage of total income is 11.42% during the year ended March 31, 2024. In absolute terms, Profit After tax was ₹ 387.53 Lakhs during the year ended March 31, 2024. During the year ended March 31, 2023, Profits After tax was 0.35% of Total Income. In absolute terms, Profit After tax was ₹ 10.39 Lakhs during the year ended March 31, 2023.

### **FINANCIAL YEAR ENDED ON MARCH 31, 2023 COMPARED TO YEAR ENDED ON MARCH 31, 2022**

#### **1) Total Revenue**

Our total revenue increased to ₹ 2,953.15 Lakhs for the year ended on March 31, 2023, as compared to ₹ 2,258.42 Lakhs for the year ended on March 31, 2022.

#### **2) Total Expenditure**

Our total expenditure decreased to ₹ 2,939.27 Lakhs for the year ended on March 31, 2023, as compared to ₹ 2,248.02 Lakhs for the year ended on March 31, 2022. Total expenditure for the year ended on March 31, 2023 stood at 99.53% of the total revenue as compared to 99.54% for the year ended on March 31, 2022.

#### **3) Revenue from operations**

Our revenue from operations increased to ₹ 2,938.43 lakhs for the year ended on March 31, 2023, as compared to ₹ 2,229.20 Lakhs for the year ended on March 31, 2022. The increase in the Operating Revenue is primarily due to increase in Domestic and Export Sales.

#### **4) Other income**

Our Other Income decreased to ₹ 14.72 Lakhs for the year ended on March 31, 2023, as compared to ₹ 29.22 Lakhs for the year ended on March 31, 2022.

#### **5) Cost of Material & Consumable Consumed**

Cost of Material & Consumable Consumed as a percentage of total income is 80.13% during the year ended March 31, 2023. In absolute terms, Cost of Material & Consumable Consumed was ₹ 2,366.33 Lakhs during the year ended March 31, 2023. During the year ended March 31, 2022, there was Cost of Material & Consumable Consumed was ₹ 1,861.29 lakhs which is 82.42% of total income.

#### **6) Employee Benefit Expenses**

Employee Benefit Expenses as a percentage of total income is 8.38% during the year ended March 31, 2023. In absolute terms, Employee Benefit Expenses was ₹ 247.40 Lakhs during the year ended March 31, 2023. During the year ended March 31, 2022, Employee Benefit Expenses was ₹ 196.01 lakhs which is 8.68% of total income. Increase in the employee benefit expenses is due to increase in Salary, wages, Bonus, other allowances and staff welfare expenses.

#### **7) Other Expenses**

Other expenses as a percentage of total income is 5.31% during the year ended March 31, 2023. In absolute terms, Other Expenses was ₹ 156.95 Lakhs during the year ended March 31, 2023. During the year ended March 31, 2022, Other Expenses was 5.02% of Total Income. In absolute terms, Other Expenses was ₹ 113.28 Lakhs during the year ended March 31, 2022. This increase is due to increase in repairs and maintenance expenses, sales promotion expenses etc.

## **8) Profits Before Tax**

Profits before tax as a percentage of total income is 0.47% during the year ended March 31, 2023. In absolute terms, Profit before tax was ₹ 13.88 Lakhs during the year ended March 31, 2023. During the year ended March 31, 2022, Profits before tax was 0.46% of Total Income. In absolute terms, Profit before tax was ₹ 10.40 Lakhs during the year ended March 31, 2022.

## **9) Profits After Tax**

Profits After tax as a percentage of total income is 0.35% during the year ended March 31, 2023. In absolute terms, Profit After tax was ₹ 10.39 Lakhs during the year ended March 31, 2023. During the year ended March 31, 2022, Profits After tax was 0.35% of Total Income. In absolute terms, Profit After tax was ₹ 7.90 Lakhs during the year ended March 31, 2022.

## **Discussion of other aspects as mandated by SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.**

- (a) **Unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.**

Except as described in this Draft Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

- (b) **Significant economic changes that materially affected or are likely to affect income from continuing operations;**

To the knowledge of the management of our Company, there have been no significant economic changes in the industry in the recent past, which are likely to affect income from continuing operations.

- (c) **Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations;**

Apart from the risks as disclosed under Section "Risk Factors" beginning on page 34 of this Draft Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

- (d) **Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known;**

Other than as described in the chapter titled "Risk Factors" on page 34 of this Draft Prospectus, to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

- (e) **Details of the extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices;**

Increases in revenues are by and large linked to increases in volume of business.

(f) **Details of the total turnover of each major industry segment in which the issuer operated;**

Our Company is currently operating in one business segment and the entire turnover of the Company is from its current business segment.

(g) **Details of status of any publicly announced new products or business segment;**

As our Company has not announced any new Product, this is not applicable.

(h) **Details of the extent to which business is seasonal;**

Our Company's business is not seasonal in nature.

(i) **Details of significant dependence on a single or few suppliers or customers;**

Approximately 88% of our revenue is dependent upon our Top 10 Customers as per the Restated Audited Financials for period ended July 20, 2024.

Approximately 33.41% of our purchase is dependent upon our Top 10 Supplier as per the Restated Audited Financials for period ended July 20, 2024.

(j) **Competitive conditions.**

We face competition from the unorganized sector as well as organized sector. For further details, kindly refer the chapter titled "Business Overview" beginning on page 141 of this Draft Prospectus.



## STATEMENT OF FINANCIAL INDEBTEDNESS

Our Company has availed borrowings in the ordinary course of our business. The brief summary of the financial indebtedness of our Company as at July 20, 2024 is mentioned hereunder:

Amount in Rs. Lakhs

Nature of Borrowing	Outstanding as on 20/07/2024
Secured Loan (A)	172.54
Unsecured Loan (B)	423.18
<b>Total</b>	<b>595.72</b>

### SECURED BORROWINGS

As on 20<sup>th</sup> July, 2024, we have availed secured loans of which the total outstanding amount secured loan is Rs. 172.54 lakhs as of date, the details of which are as under:

(Rs. In Lakhs)

Sr. No.	Name of Bank	Rate of Interest (p.a)	Sanctioned Amount	Amount outstanding as on July 20, 2024	Tenure	Security	Joint Borrowers/ Guarantee
1	Indian bank	9.55%	153.00	115.88	24 months	<b>Primary Securities:</b> plant & machinery	<b>Directors &amp; Joint Borrowers:</b> Mr Harshad Nanubhai Rathod, Mr. Hardik Mukundbhai Prajapati, Mr. Mayur Popatlal Sojitra, Mr. Vivek Ashokkumar Patel.
2.	Indian bank	10.50%	50.00	44.18	48 months	<b>Primary Securities:</b> solar plant	<b>Same As Above loan</b>
3.	Vehicle loan	11.50%	21.00	12.48	60 months	<b>Primary Securities:</b> Vehicles	<b>Directors &amp; Joint Borrowers:</b> MrHar.shad Nanubhai Rathod, Mr. Hardik Mukundbhai

							Prajapati, Mr. Mayur Popatlal Sojitra, Mr. Vivek Ashokkumar Patel.
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*Further secured by Equitable Mortgage of land and building situated at 28-29, Xcelon Industrial Park-1, Behind Intas Pharmaceuticals, At. Vasna-Chachrawadi, TA Sanand admeasuring 1565 Sq. Mts.*

#### **UNSECURED BORROWINGS**

The Company have also availed Unsecured Borrowings. Set forth below is a brief summary of Unsecured Borrowings as on 20<sup>th</sup> July, 2024.

<b>Sr. No.</b>	<b>Particulars</b>	<b>Amount in Rs. Lakhs</b>
1.	DEUTSCHE - BUSINESS LOAN	46.81
2.	HDFC BANK TERM LOAN	46.58
3.	IDFC BANK - BUSINESS LOAN	47.57
4.	Kotak Mahindra Bank Loan	15.82
5.	KOTAK MAHINDRA - BUSINESS LOAN	42.32
6.	L & T Finance Loan -100915	46.71
7.	SMFG INDIA (FULLERTEN) BI	40.17
8.	Tata Capital Term Loan	53.44
9.	Yes Bank - BUSINESS LOAN	46.63
10.	Axis Bank Business loan	37.14
	<b>TOTAL</b>	<b>423.18</b>

## CAPITALIZATION STATEMENT

### RESTATED STATEMENT OF CAPITALIZATION :

<b>Rs. In Lakhs</b>		
Particulars	Pre-Issue figures	As Adjusted for the proposed issue
<b>Debt</b>		
Short Term Debt	803.27	701.52
Long Term Debt	287.86	229.79
<b>Total Debt</b>	<b>1,091.13</b>	<b>931.31</b>
<b>Shareholder's Funds</b>		
Share Capital	817.00	[•]
Reserve and Surplus-As Restated	174.49	[•]
<b>Total Shareholder's Fund</b>	<b>991.49</b>	<b>[•]</b>
<b>Long Term Debt/Shareholder's Fund</b>	<b>0.29</b>	<b>[•]</b>
<b>Total Debt/Shareholder's Fund</b>	<b>1.10</b>	<b>[•]</b>

**Notes:**

- (1) Short term Debts represent the debts which are expected to be paid/payable within 12 months and includes installment of term loans repayable within 12 months.
- (2) Long term Debts represent debts other than Short term Debts as defined above.
- (3) The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at
- (4) The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, restated statement of cash flow, significant accounting policies and notes to restated summary statements as appearing in Annexures 1, 2, 3 and 4(A) respectively.

## SECTION X: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated below there is no (i) pending criminal litigation involving our Company, Directors, Promoter or Group Companies; (ii) actions taken by statutory or regulatory authorities involving our Company, Directors, Promoter or Group Companies; (iii) outstanding claims involving our Company, Directors, Promoter or Group Companies for any direct and indirect tax liabilities; (iv) outstanding proceedings initiated against our Company for economic offences; (v) defaults or non-payment of statutory dues by our Company; (vi) material fraud against our Company in the last five years immediately preceding the year of this DRAFT RED HERRING PROSPECTUS; (vii) inquiry, inspection or investigation initiated or conducted under the Companies Act 2013 or any previous companies law against our Company during the last five years immediately preceding the year of this DRAFT RED HERRING PROSPECTUS and if there were prosecutions filed (whether pending or not); (viii) fines imposed or compounding of offences for our Company in the last five years immediately preceding the year of this DRAFT RED HERRING PROSPECTUS; (ix) litigation or legal action against our Promoter by any ministry or Government department or statutory authority during the last five years immediately preceding the year of this DRAFT RED HERRING PROSPECTUS; (x) pending litigations involving our Company, Directors, Promoter, Group Companies or any other person, as determined to be material by the Company's Board of Directors in accordance with the SEBI (ICDR) Regulations; or (xi) outstanding dues to creditors of our Company as determined to be material by our Company's Board of Directors in accordance with the SEBI (ICDR) Regulations and dues to small scale undertakings and other creditors.*

*For the purpose of material litigation in (x) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigations to be disclosed by our Company in this DRAFT RED HERRING PROSPECTUS:*

- a) All criminal proceedings, statutory or regulatory actions and taxation matters, involving our Company, Promoters, Directors, or Group Companies, as the case may be shall be deemed to be material;*
- b) All pending litigation involving our Company, Promoter, Directors, or Group Companies as the case may be, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material' (a) the monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess of 5% of the net profits after tax of the Company for the most recent audited fiscal period; or (b) where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation does not exceed 5 % of the net profits after tax of the Company for the most recent audited fiscal period, shall be considered material; and (c) where the monetary liability is not quantifiable, each such case involving our Company, Promoter, Directors, or Group Companies, whose outcome would have a bearing on the business operations, prospects or reputation of our Company and as required under the SEBI Regulations have been disclosed on our website at <https://accretionpharma.com>*
- c) Notices received by our Company, Promoter, Directors, or Group Companies, as the case may be, from third parties (excluding statutory/regulatory authorities or notices threatening criminal action) shall, in any event, not be evaluated for materiality until such time that the Company / Directors / Promoter / Group Companies, as the case may be, are impleaded as parties in proceedings before any judicial forum.*

*Our Company, our Promoter and/or our Directors, have not been declared as wilful defaulters by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoter or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.*

**OUTSTANDING TAXATION MATTERS INVOLVING OUR COMPANY, DIRECTORS, PROMOTER AND SUBSIDIARIES:**

**PART 1: LITIGATION RELATING TO OUR COMPANY**

**A. FILED AGAINST OUR COMPANY**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

**Indirect Tax:** NIL

**Direct Tax:** NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

**Sun Pharmaceutical Industries Limited (hereinafter Plaintiff) V/s. 1. Accretion Pharmaceuticals; 2. Reliabo Pharma India Private Limited (Parties 1 & 2 hereinafter referred to as Defendant No. 1 & 2 respectively and collectively as defendants)**

*(Commercial Intellectual property (COMIP (L)) No. 25589 of 2022, Suit for Infringement of Trade Mark, Copyright and Passing Off, filed and pending with the High Court of Judicature at Bombay, with Ordinary Original Civil Jurisdiction, in its Commercial Division)*

The plaintiff herein claims to be reputed manufacturer of pharmaceutical products and have alleged the defendant no. 1 herein to be involved in the business of manufacturing

pharmaceutical / medicinal preparations under the packaging / Trade dress i.e.



(hereinafter referred to as “the impugned packaging/ trade dress”) bearing the trademark “LULYLIN” (hereinafter referred to as “the impugned trade mark”) for and on behalf of the Defendant No. 2, who is allegedly said to have been marketing and/or Selling and / or distributing the impugned goods under the impugned packaging/ trade dress bearing the impugned trade mark. The plaintiff herein further claims to have the propriety of the a trademark LULIFIN with the following details;

Registered Mark	Trademark Application / Registration no.	Class	Owner
LULIFIN	1677854	5	SUN PHARMACEUTICAL INDUSTRIES LIMITED
LULIFIN MRT	4469314	5	SUN PHARMACEUTICAL INDUSTRIES LIMITED
LULIFIN	3283908	3	SUN PHARMACEUTICAL INDUSTRIES LIMITED

The plaintiff herein claims that the impugned trade mark/ packaging/ trade dress are deceptively similar to the propriety trade mark and packaging style of the plaintiff herein. Thus alleging the defendants of free riding over the goodwill attained by the plaintiff herein over the years and passing off and infringing the trade mark and copyrights of the Plaintiff. Aggrieved by above, the plaintiff herein filed the present suit against the defendants herein and the same is pending.

*\*as per the manufacturing agreement dated September 29, 2022, entered into by and between the defendants herein the entire liability of the usage of the impugned trademark / trade dress / packaging material is to be borne by the defendant no. 2 and hence the defendant no. 1 abstains itself of all liabilities in the matter.*

*Further the impugned trademark i.e. LULYLIN applied vide application no. 3667167 has been ordered to be abandoned by the Associate Manager of Trademarks, Kolkata vide its order dated January 23, 2024.*

**Connected matters:**

Registration no. CRR/312/2022; LPETN/25605/2022; and Interim Application (L) No. 25601 of 2022; COMIP Suit No. 17/2023

COMIP Suit No. 17 of 2023 in Commercial intellectual property Suit No. 25589 of 2022

**B. CASES FILED BY OUR COMPANY**

**1) Litigation involving Criminal Laws**

**Accretion Pharmaceutical through partner Mr. Harshad Rathod (Complainant) V/s. 1. Nascent Lifescience pvt. Ltd.; 2. Suresh Vekariya; 3. Nikunj Vekariya (Parties 1 to 3 referred to as Accused 1, 2 & 3 respectively and collectively as Accused)**

*(Criminal Case No. 26850/2019 filed and pending with Additional Chief Metropolitan Magistrate at Ahmedabad filed under Section 138 of the Negotiable Instrument Act, 1881)*

The Complainant herein claims to have sold certain medicines to the accused herein on credit basis and necessary invoices were issued to the accused by the complainant. As accused, the accused herein duly issued a cheque dated January 07, 2019 for an amount of Rs. 3,72,562/- which returned dishonoured on January 11, 2019 with remarks "Funds Insufficient". Aggrieved by this, the Complainant herein issued a legal notice dated February 05, 2019 which return undelivered on February 14, 2019.

Aggrieved by the same, the Complainant herein filed the present petition in terms of the provisions of Section 138 of the Negotiable Instruments Act, praying for issue of summons to the accused for his attendance and for punishing the accused for committing offence punishable u/s. 138 of the NI Act and the same is pending.

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

**Indirect Tax:** NIL

**Direct Tax:** NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**PART 2: LITIGATION RELATING TO OUR DIRECTORS AND PROMOTER OF THE COMPANY**

**A. LITIGATION AGAINST OUR DIRECTORS AND PROMOTER**

**1) Litigation involving Criminal Laws**

**Mayurbhai Popatbhai Sojitra & Harshadbhai Nanubhai Rathod (Directors cum Promoters of the Company)**

**Original Matter:**

**State of Gujarat (Plaintiff) V/s. 1) Manubhai Manojbhai Ramanbhai Mer Co.Patel; 2) Jabbar Babukhan; 3) Vishanubhai Virjibhai Dabhi; 4) Mayurbhai Popatbhai Sojitra; 5) Surajsinh Prakashsinh Rajput; 6) Harshadbhai Nanubhai Rathod (Parties 1 to 6 hereinafter referred to as Defendant No. 1, 2, 3, 4, 5 & 6 respectively and collectively as defendants)**

*(Criminal Case No. 3565 of 2023 dated December 21, 2023, filed with the court of Additional Chief Judicial Magistrate at Sanand, Ahmedabad, under the provisions of The Juvenile Justice (Care And Protection Of Children) Act, 2015 and Child Labour (Prohibition And Regulation) Act, 1986)*

An FIR No. 11192015230859 dated September 18, 2023 registered u/s. 3A, 14(1)1(A) of Child labour (Prohibition and Regulation) act 1986 and Section 79 of Juvenile Justice act was lodged in the Chandgodar police station by Original Complainant B.C. Solanki Police Inspector of Kerela GIDC police station of Ahmedabad Rural alleging the respondents herein of exploitation of child Labour.

In the stated FIR, the Victim (Ms. Muskan being of age less than 18 years) was stated to have allegedly been kidnapped by one Mr. Prashant Gunvantbhai bhadarka (the accused). However during the investigation of the FIR, both the victim and the accused were found working together at the packaging area of Accretion Pharmaceuticals and Accretion Nutraveda Private Limited. The Victim being of age less than 18 years, the investigating PI of Kerela GIDC Police Station, lodged another complaint at Chandgodar Police Station for the offences punishable under section 3A, 14(1)1(A) of Child labour (Prohibition and Regulation) act 1986 and Section 79 of Juvenile Justice (Care and Protection of children) Act, 2015. Post investigation of the FIR, a chargesheet dated November 18, 2023 was filed, alleging the respondents herein of exploitation of child labour and accordingly the instant petition had been filed.

**Connected matter:**

*1. Mayurbhai Popatbhai Sojitra; 2. Harshadbhai Nanubhai Rathod (Applicant / Accused No. 4 & 6 of the original petition) V/s. State of Gujarat (Respondent / Original Complainant)*

Aggrieved by the charges levied in the original petition, the accused No. 4 & 6 (Accused no. 1 & 2 herein) being the office bearers of Accretion Pharmaceuticals and Accretion Nutraveda Private Limited, respectively in the original matter, filed the instant application for discharge among other grounds, the one being that they have been made parties to the original matter only on the grounds of circumstances and that they do not have any involvement in the matter.

*The above case no. 3565/2023 along with the discharge petition has however been disposed off vide order dated May 08, 2024, 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 sir.*

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**



NIL

**4) Litigation involving Tax Liability**

**Indirect Tax:** NIL

**Direct Tax:** NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**B. LITIGATION FILED BY OUR DIRECTORS AND PROMOTER**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

**Indirect Tax:** NIL

**Direct Tax:** NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**PART 3: LITIGATION RELATING TO OUR SUBSIDIARIES AND/OR GROUP COMPANIES**

**A. LITIGATION AGAINST OUR SUBSIDIARIES AND /OR GROUP COMPANIES**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

**Indirect Tax: NIL**

**Direct Tax: NIL**

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**B. LITIGATION FILED BY OUR SUBSIDIARIES AND/ OR GROUP COMPANIES**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**DISCIPLINARY ACTION INCLUDING PENALTY IMPOSED BY SEBI OR STOCK EXCHANGES AGAINST THE PROMOTER, DIRECTORS, GROUP COMPANIES AND PROMOTOR GROUP DURING THE LAST 5 FINANCIAL YEARS**

There are no disciplinary actions including penalty imposed by SEBI or Stock Exchanges against the Promoters, Directors or Group Companies during the last 5 financial years including outstanding actions except as disclosed above.

**PAST INQUIRIES, INSPECTIONS OR INVESTIGATIONS**

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last five years immediately preceding the year of this DRAFT RED HERRING PROSPECTUS in the case of our Company, Promoter, Directors. Other than as described above, there have been no prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last five years immediately preceding the year of the DRAFT RED HERRING PROSPECTUS.

**OUTSTANDING LITIGATION AGAINST OTHER PERSONS AND COMPANIES WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY**

As on the date of the DRAFT RED HERRING PROSPECTUS, there is no outstanding litigation against other persons and companies whose outcome could have a material adverse effect on our Company.

**PROCEEDINGS INITIATED AGAINST OUR COMPANY FOR ECONOMIC OFFENCES**

There are no proceedings initiated against our Company for any economic offences.

**NON-PAYMENT OF STATUTORY DUES**

As on the date of the DRAFT RED HERRING PROSPECTUS there have been no (i) instances of non-payment or defaults in payment of statutory dues by our Company, (ii) over dues to companies or financial institutions by our Company, (iii) defaults against companies or financial institutions by our Company, or (iv) contingent liabilities not paid for.

**MATERIAL FRAUDS AGAINST OUR COMPANY**

There have been no material frauds committed against our Company in the five years preceding the year of this DRAFT RED HERRING PROSPECTUS.

**DISCLOSURES PERTAINING TO WILFUL DEFAULTERS**

Neither our Company, nor our Promoters, nor Group Companies and nor Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

**DISCLOSURES PERTAINING TO FRAUDULENT BORROWER**

Our Company or any of our Promoters or Group Companies or Directors are not declared as 'Fraudulent Borrower' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016.

**MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE**

Except as disclosed in Chapter titled "Management's Discussion & Analysis of Financial Conditions & Results of Operations" beginning on page 232 there have been no material developments that have occurred after the Last Balance Sheet Date.

**OUTSTANDING DUES TO CREDITORS**

There are no disputes with such entities in relation to payments to be made to our Creditors. The details pertaining to amounts due towards such creditors are available on the website of our Company.

Below are the details of the Creditors where outstanding amount as on July 20, 2024

Name	Balance as on July 20,2024 (in Lacs)
Total Outstanding dues to Micro and Small & Medium Enterprises	--
Total Outstanding dues to others Creditors	535.63
Total Outstanding dues to Material Creditors	84.25

## GOVERNMENT AND OTHER APPROVALS

*We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business (as applicable on date of this **Draft Red Herring Prospectus**) and except as mentioned below, no further approvals are required for carrying on our present business.*

*In view of the approvals listed below, we can undertake this Issue and our current/proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this **Draft Red Herring Prospectus**.*

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following are the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business:

### **Approvals in Relation to Our Company's incorporation**

1. Originally incorporated as a Partnership firm in the name and style of **M/s. Accretion Pharmaceuticals**, pursuant to partnership deed dated **December 18, 2012**
2. Fresh Certificate of Incorporation dated **November 29, 2023** from the Registrar of Companies, Central Registration Centre issued on behalf of Jurisdictional Registrar of Companies under the Companies Act, 2013 as "**M/s. ACCRETION PHARMACEUTICALS LIMITED**" (Company registration no. (U21004GJ2023PLC146545)

### **Approvals in relation to the Issue**

#### ***Corporate Approvals***

1. Our Board of Directors has, pursuant to resolutions passed at its meeting held on July 25, 2024 authorized the Issue, subject to the approval by the shareholders of our Company under section 62(1) (c) of the Companies Act, 2013.
2. Our shareholders have, pursuant to a resolution dated August 16, 2024, under Section 62(1) (c) of the Companies Act, 2013, authorized the Issue.
3. Our Board of Directors has, pursuant to a resolution dated September 17, 2024 authorized our Company to take necessary action for filing the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus respectively with NSE EMERGE.

#### ***Approvals from Stock Exchange***

1. Our Company has received in- principle listing approval from the NSE EMERGE dated [●] for listing of Equity Shares issued pursuant to the issue.

### **Other Approvals**

1. The Company has entered into a tripartite agreement dated **August 23, 2024** with the Central Depository Services (India) Limited (CDSL) and the Registrar and Transfer Agent, who in this case is Kfin Technologies Limited, for the dematerialization of its shares.
2. The Company has entered into an agreement dated **September 03, 2024** with the National Securities Depository Limited (NSDL) and the Registrar and Transfer Agent, who in this case is Kfin Technologies Limited, for the dematerialization of its shares.
3. ISIN registration is INE0T8T01010

### **Approvals/Licenses/Permissions in relation to our Business**

1. Tax Related Approvals

S. No	Description	Address of Place of Business/Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Permanent Account Number (PAN)	M/s. Accretion Pharmaceuticals Limited	AAZCA7550K	Income Tax Department	November 29, 2023	Valid till Cancelled
2.	Tax Deduction Account Number (TAN)	M/s. Accretion Pharmaceuticals Limited, 29 Xcelon Ind Park 1, B/H Intas Pharmaceuticals, Sanand Vasna, Chacharvadi 108, Ahmedabad-382213 Gujarat	AHMA28934D	Income Tax Department	November 29, 2023	Valid till Cancelled
3.	GST Registration Certificate (Gujarat)	M/s. Accretion Pharmaceuticals Limited, Plot No. 28,29, Xcelon Industrial Park-1, Behind Intas Pharmaceuticals, Vasna Chacharwadi, Pharmez, Ahmedabad, Gujarat, 382213	24AAZCA7550K1Z1	Goods and Services Tax Department Gujarat	Effective date November 29,2023  Date of issue of Certificate December 14,2023	Valid till Cancelled
4.	Professions Tax Registration	M/s. Accretion Pharmaceuticals	PR/07/09/0053/0174	Sales Tax Department,	February 21, 2024	Valid till Cancelled

	Certificate (P.T.R.C.)	Limited,  Plot No. 28,29, Xcelon Industrial Park-1, Behind Intas Pharmaceuticals, Vasna Chacharwadi, Pharmez, Ahmedabad, Gujarat, 382213		Government of Gujarat		
5.	Professions Tax Enrollment Certificate (P.T.E.C.)	M/s. Accretion Pharmaceuticals Limited,  Plot No. 28,29, Xcelon Industrial Park-1, Behind Intas Pharmaceuticals, Vasna Chacharwadi, Pharmez, Ahmedabad, Gujarat, 382213	PE07/09/00530177	Professional Tax officer, Vasna Gram Panchayat	February 21, 2024	Valid till Cancelled

## 2. Registrations related to Labour Laws

S. No.	Description	Address	License Number	Issuing Authority	Date of issue	Date of Expiry
1.	Registration under the Employees Provident fund (EPF)	M/s. Accretion Pharmaceuticals Limited,  29, Xcelon Industrial Park-1, Behind Intas Pharmaceuticals, Vasna Chacharwadi, Pharmez, Ahmedabad, Gujarat, 382213	GJAHD1603819000	Employees' Provident Fund Organization	June 06, 2017  <i>(Originally allotted in name of M/s. Accretion Pharmaceuticals)</i>	Valid till Cancelled
2.	Registration under the Employees State Insurance Corporation (ESIC)	M/s. Accretion Pharmaceuticals  29, Xcelon Industrial Park-1, Behind Intas Pharmaceuticals, TA	37001106220000305	Employees State Insurance Corporation, Ahmedabad	June 06, 2017  <i>Originally allotted in name of M/s. Accretion Pharmaceuticals)</i>	Valid till Cancelled

		Ahmedabad, Gujarat, 382213				
3.	Factory Registration	M/s. Accretion Pharmaceuticals Limited  29, Xcelon Industrial Park-1, Behind Intas Pharmaceuticals, TA Ahmedabad, Gujarat, 382213	Registration No.: 5752/21002/2015 License No. February 01, 2015	Directorate of Industrial Safety and Health	May 24, 2024	Decemb er 31, 2028

### 3. Business Related Approvals

S. No.	Description	Address of Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Udyam Registration Certificate	M/s. Accretion Pharmaceuticals Limited,  Plot No. 28,29, Xcelon Industrial Park-1, B/H Intas Pharmaceuticals, Vasna, Chacharwadi, Ahmedabad, Ahmadabad, Gujarat, 382213	UDYAM-GJ-01- 0335374	Ministry of Micro Small & Medium Enterprises	November 29, 2023	Valid till Cancell ed
2.	Import Export Code (IEC)	M/s. Accretion Pharmaceuticals Limited,  Plot No. 28,29, Xcelon Industrial Park-1, B/H Intas Pharmaceuticals, Vasna, Chacharwadi, Ahmedabad, Gujarat, 382213	IEC Number: 0814010741	Ministry of Commerce and Industry Directorate General of Foreign Trade, Ahmedabad	August 05, 2014  <i>(Originally allotted in name of M/s. Accretion Pharmaceu ticals Limited)</i>	Valid till Cancell ed





3.	ISO 9001:2015 (Quality Management System)	M/s. Accretion Pharmaceuticals Limited,	Certificate Number: IN/66811621/5698	ICV Assessments Pvt. Ltd	January 23, 2024	January 22, 2027
4.	ISO 14001:2015 (Environmental Management System)	M/s. Accretion Pharmaceuticals Limited, 29, Xcelon Industrial Park- 1, Behind Intas Pharmaceuticals, Vasna-Chacharvadi, Ta, Sanand, Dist-Ahmedabad- 382213, Gujarat, India.	Certificate Number: IN/94511622/2588	ICV Assessments Pvt. Ltd	January 23, 2024	January 22, 2027
5.	ISO 22000:2018 (Food safety Management System)	M/s. Accretion Pharmaceuticals Limited, 29, Xcelon Industrial Park- 1, Behind Intas Pharmaceuticals, Vasna-Chacharvadi, Ta, Sanand, Dist-Ahmedabad- 382213, Gujarat, India.	Certificate Number: IN/35011623/4587	ICV Assessments Pvt. Ltd	January 23, 2024	January 22, 2027
6.	FSSAI License	M/s. Accretion Pharmaceuticals Limited  29, Xcelon Industrial Park-1, Behind Intas Pharmaceuticals, Vasna Chacharwadi, Sanand, Ahmedabad, Gujarat-382213	License Number: 10717001000104	Government of India Food Safety and Standards Authority of India	February 10, 2024	September 06, 2029
7.	Good Manufacturing Certificate (G.M.P Certificate)	M/s. Accretion Pharmaceuticals Limited  29, Xcelon Industrial Park-1, Behind Intas Pharmaceuticals, Vasna Chacharwadi, Sanand, Ahmedabad, Gujarat-382213	Certificate Number : 23023895	Food & Drugs Control Administration, Gujarat	February 15, 2023	February 14, 2026
8.	G.L.P Registration Certificate	M/s. Accretion Pharmaceuticals Limited  29, Xcelon Industrial Park-1, Behind Intas Pharmaceuticals, Vasna Chacharwadi, Sanand, Ahmedabad, Gujarat-382213	GLP/23033949/19979/B	Food & Drugs Control Administration, Gujarat	March 06, 2023	February 14, 2026

9.	License to Manufacture for Sale (Or for distribution of) drugs other than those specified in Schedule C, C(1), and Schedule X) (Form 25)	M/s. Accretion Pharmaceuticals Limited 29, Xcelon Industrial Park-1, Behind Intas Pharmaceuticals, Vasna Chacharwadi, Sanand, Ahmedabad, Gujarat-382213	License Number :G/25/2033	Food & Drugs Control Administration, Gujarat	December 18, 2023	December 17, 2028
10.	License to Manufacture for Sale (Or for distribution of) drugs specified in Schedule C, C(1), (Excluding those specified in Schedule X) (Form 28)	M/s. Accretion Pharmaceuticals Limited 29, Xcelon Industrial Park-1, Behind Intas Pharmaceuticals, Vasna Chacharwadi, Sanand, Ahmedabad, Gujarat-382213	License Number :G/28/1471	Food & Drugs Control Administration, Gujarat	December 18, 2023	December 17, 2028
11.	Certificate for issue of Neutral Label Code Number	M/s. Accretion Pharmaceuticals Limited 29, Xcelon Industrial Park-1, Behind Intas Pharmaceuticals, Vasna Chacharwadi, Sanand, Ahmedabad, Gujarat-382213	Code No. for Export: For License in Form No. 25: GUJ/DRUGS/25/2033  For License in Form No. 28: GUJ/DRUGS/28/1471	Food & Drugs Control Administration, Gujarat, Gandhinagar	January 16, 2024	Valid Till Canceled
12.	Combined consent and Authorization (CC&A) u/s. 25 of the Water (Prevention and Control of Pollution) Act ; Section 21 of Air (Prevention and Control of Pollution) Act and Rule 6(2) of the Hazardous and other Wastes (Management and Transboundary	M/s. Agcretion Pharmaceuticals Plot No.29, Xcelon Industrial Park, Behind Lntas Pharmaceuticals, Vas Na C Hacharwadi' 38221 3, Ahmedabad.	Consent Order Number:WH-43572	State Pollution Control Board (SPCB), Gujarat	October 27, 2020	June 30, 2027

	Movement), Rules, 2016.					
13.	Registration Certificate from Pharmaceuticals Export Promotion Council of India	M/s. Accretion Pharmaceuticals Limited 28, 29, Xcelon Industrial Park-1, Behind Intas Pharmaceuticals, Vasna Chacharwadi, Sanand, Ahmedabad, Gujarat-382213	RCMC/PHARMEXCIL/01057/2024-2025	Pharmaceuticals Export Promotion Council of India	July 01, 2024	March 31, 2025
14.	LEI Certificate	M/s. Accretion Pharmaceuticals Limited 29, Xcelon Industrial Park-1, Behind Intas Pharmaceuticals, Vasna Chacharwadi, Sanand, Ahmedabad, Gujarat-382213	984500BLCF50C736AC30	--	March 29, 2024	March 29, 2025
15.	Wholesale Trade License	Plot No. 29, Xcelon Industrial Park B/H Intas Pharmaceuticals Vasna- Chacharwadi - 382213	145004 &145005	Food & Drugs Control Administration, Ahmedabad	November 29, 2023	November 28, 2028

### **Intellectual Property**

Trademarks registered/Objected/Abandoned in the name of our company:

S. No	Brand Name/Logo Trademark	Class	Nature of Trademark and registration number	Owner	Date of Application	Authority	Current Status	Validity
1.	Device" Accretion" 	5	2487302	M/s. Accretion Pharmaceuticals  Assignment application in favour of Accretion	February 28, 2013	Trade Marks Registry, Ahmedabad	Registered	February 28, 2033
2.	Device" Accretion" 	35	2487303	Pharma Limited vide Application dated August 03, 2024	February 28, 2013	Trade Marks Registry, Ahmedabad	Registered	February 28, 2033

### **Domain Name**

S. No	Domain Name and ID	Sponsoring Registrar and ID	Registrant Name, ID and Address	Creation Date	Registry Expiry Date
1.	<a href="https://www.accretionpharma.com/">https://www.accretionpharma.com/</a>	Registry Domain ID: 1767884727_DOMAIN_COM-VRSN	Registrar: GoDaddy.com, LLC Registrar IANA ID: 146	December 21, 2012	December 21, 2025

**Licenses to Be Applied:**

Sr. No.	Description	Address of the Premises	Issuing Authority	When to be Applied
1	Legal Metrology Packaged Commodities (LMPC) certificate	M/s. Accretion Pharmaceuticals Limited 28, 29, Xcelon Industrial Park-1, Behind Intas Pharmaceuticals, Vasna Chacharwadi, Sanand, Ahmedabad, Gujarat-382213	Ministry of consumer affairs	Immediately
2	FSSAI License	M/s. Accretion Pharmaceuticals Limited 28, 29, Xcelon Industrial Park-1, Behind Intas Pharmaceuticals, Vasna Chacharwadi, Sanand, Ahmedabad, Gujarat-382213	Government of India Food Safety and Standards Authority of India	Immediately

In addition to above licenses and approvals and except as stated in this chapter, it is hereby mentioned that no application has been made for license / approvals required by the Company and no approval is pending in respect of any such application made with any of the authorities.

## **SECTION XI –OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue**

This Issue has been authorized by the Board of Directors of our Company; vide resolution passed at its meeting held on July 25, 2024.

The shareholders of our Company have authorized the Issue in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013, by passing a Special Resolution at the Extra-Ordinary General Meeting held on August 16, 2024

The Company has obtained approval from NSE, vide letter dated [•] to use the name of NSE in this Offer Document for listing of equity shares on the SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE. NSE is the designated stock exchange.

The Board of Directors of our Company have approved this Draft Red Herring Prospectus, vide a resolution, passed at its meeting held on September 17, 2024.

### **Prohibition by SEBI or other Governmental Authorities**

We confirm that our Company, Promoters, Promoter Group, Directors, are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority or court, including any securities market regulator in any jurisdiction.

None of the companies with which our Promoters or Directors are Promoters or Directors, have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

Our Promoters or Directors have not been declared as fugitive economic offenders.

### **Prohibition by RBI**

We confirm that neither our Company nor our Promoters or Directors, have been identified as a wilful defaulter or a fugitive economic offender and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them.

We further confirm that neither our Company nor our Promoters or Directors, have been have been declared as a fraudulent borrower by any bank, financial institution or lending consortium, in accordance with the 'Master Directions on Fraud- Classification and Reporting by commercial banks and select FIs' dated July 1, 2016, as updated, issued by the RBI.

### **Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018**

Our Company is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 ("SBO Rules"), to the extent applicable, as on the date of this Draft Red Herring Prospectus.

### **Association with Securities Market**

We confirm that none of our Directors are associated with the Securities Market in any manner and no action has been initiated against them by SEBI at any time except as stated under the chapters titled "Risk Factors", "Our Promoter and Promoter Group" and "Outstanding Litigations and Material Developments" beginning on pages 34, 216 and 243 respectively, of this Draft Red Herring Prospectus.

### **Eligibility for this Issue**

Our Company has complied with the conditions of Regulation 230 of SEBI ICDR Regulations for this Issue.

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations and this Issue is an “Initial Public Offer” in terms of the SEBI ICDR Regulations.

Our Company is eligible for the Issue in accordance with Regulation 229(2) of the SEBI ICDR Regulations as we are an Issuer whose post issue face value capital is more than Rs. 10 Crores (Rupees Ten Crores only) and upto Rs. 25 Crores (Rupees 25 Crores only). Accordingly, our Company is proposing to issue its Equity Shares to Public and subsequent listing thereof on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of the National Stock Exchange of India Limited i.e. NSE EMERGE).

We confirm that:

1. In accordance with Regulation 260 of the SEBI ICDR Regulations, this Issue will be 100% underwritten and that the Lead Manager to the Issue shall underwrite minimum 15% of the Total Issue Size. For further details, pertaining to said underwriting please refer to section titled "General Information –Underwriting" beginning on page 74.
2. In accordance with Regulation 268 of the SEBI ICDR Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within 4 (Four) days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of 4<sup>th</sup> (Fourth) day, be liable to repay such application money, with an interest at the rate as prescribed under the SEBI ICDR Regulations.
3. In accordance with Regulation 246 the SEBI ICDR Regulations, we have not filed this Draft Red Herring Prospectus with SEBI nor has SEBI issued any observations on our Draft Red Herring Prospectus. Also, we shall ensure that our Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
4. In accordance with Regulation 261(1) of the SEBI ICDR Regulations, we hereby confirm that we shall enter into an agreement with the Lead Manager and with Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on NSE EMERGE. For further details of the arrangement of market making please refer to section titled "General Information – Details of the Market Making Arrangements for this Issue" beginning on page 75.

As per Regulation 229(3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of NSE EMERGE in accordance with the Restated Financial Statements, prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations as below:

1. Our Company was incorporated as “Accretion Pharmaceuticals Limited” on November 29, 2023 under the Companies Act, 2013 with a Certificate of Incorporation issued for and on behalf of the Jurisdictional Registrar of Companies by the Registrar of Companies, Central Registration Centre. The Corporate Identification Number of our Company is U21004GJ2023PLC146545. Our Company was incorporated pursuant to conversion from a partnership firm into a company.

2. The post issue paid up capital of our Company (face value) shall not be more than Rs. 25 Crores (Rupees Twenty-Five Crores only).
3. M/s Accretion Pharmaceuticals was incorporated on December 18, 2012, as a partnership firm under the provisions of the Partnership act, 1932, Subsequently our Partnership firm has been converted into Public Limited company M/s Accretion Pharmaceuticals Private Limited” by filling of form URC-1 dated November 29, 2023
4. The Net worth and operating profit (earnings before interest, depreciation and tax) of the Company as per the restated financial statements for the period ended on July 20, 2024 are as set forth below:

Amount in Rs. Lakhs	
Particulars	For the period July 20, 2024
Net Worth*	991.49
operating profit (earnings before interest, depreciation and tax)	263.50

\* Net worth means sum of paid up capital, reserves (excluding revaluation reserves) and Share premium, if any.

For further details, see “Restated Financial Information” beginning on page 229.

5. The Company was never been referred to erstwhile Board for Industrial and Financial Reconstruction (BIFR) and no proceedings have been admitted under Insolvency and Bankruptcy Code against the Company and/or its Promoting Companies
6. The Company has not received any winding up petition admitted by National Company Law Tribunal/Court.
7. We confirm that no material regulatory or disciplinary action has been taken against our Company by a stock exchange or regulatory authority in the past three years.
8. There have been no instances in the past 6 months, whereby any IPO draft offer document filed by the BLRM the with the Exchange was returned
9. The following matters should be disclosed in the offer document:
  - a. Any material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) of the applicant company –  
**None**
  - b. Defaults in respect of payment of interest and/or principal to the debenture/ bond/ fixed deposit holders, banks, FIs by the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters /promoting company(ies) during the past three years - **None**

- c. The applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) litigation record, the nature of litigation, and status of litigation – None, for details refer to chapter titled “Outstanding Litigations and Material Developments”, beginning on page 243.
- d. In respect of the track record of the directors, the status of criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of its directors and its effect on the business of the company, where all or any of the directors of issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences – None, for details refer to chapter titled “Outstanding Litigations and Material Developments”, beginning on page 243.

We further confirm that we shall be complying with all other requirements as laid down for such offer under Chapter IX of SEBI ICDR Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

#### **Disclaimer Clause of SEBI**

**"IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT OFFER DOCUMENT/DRAFT LETTER OF OFFER/OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (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 ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT OFFER DOCUMENT/DRAFT LETTER OF OFFER/OFFER DOCUMENT. THE LEAD MANAGER(S), HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT OFFER DOCUMENT/DRAFT LETTER OF OFFER/OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT OFFER DOCUMENT/DRAFT LETTER OF OFFER/OFFER DOCUMENT, THE LEAD MANAGER(S) IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER(S) JAWA CAPITAL SERVICES PRIVATE LIMITED SHALL FURNISH TO SEBI A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 20, 2023 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE DRAFT OFFER DOCUMENT/DRAFT LETTER OF OFFER/OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE ISSUER 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 ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER(S) ANY IRREGULARITIES OR LAPSES IN THE DRAFT OFFER DOCUMENT/DRAFT LETTER OF OFFER/OFFER DOCUMENT.**

#### **Disclaimer Statement from Our Company and the Lead Manager**

Our Company, its Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in the Draft Red Herring Prospectus/Prospectus, or in case of the Company, in any advertisements or any other material issued by or at instance of our Company and



anyone placing reliance on any other source of information, including our Company's website <https://www.accretionpharma.com/>would be doing so at his or her or its own risk.

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Memorandum of Understanding dated [●], the Underwriting Agreement dated [●] entered into by and between Our Company with the Book Running Lead Manager, Underwriter and the Market Maker, as the case maybe.

All information shall be made available by our Company and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centers or elsewhere.

None among our Company or any member of the Syndicate is liable for any failure in downloading the Bids due to faults in any software/ hardware system or otherwise.

The Applicants who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, 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 Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company our Group Companies and their respective affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company and their respective affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

#### **Disclaimer in respect of Jurisdiction**

This Issue is being made in India to persons resident in India including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, 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 authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakh, pension funds with minimum corpus of Rs. 2,500 Lakh and the National Investment Fund, and permitted non- residents including FPIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Prospectus does not, however, constitute an invitation to subscribe to the equity shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Ahmedabad only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would

be required for that purpose, except that the Draft Red Herring Prospectus had been filed with NSE Emerge for its observations and NSE Emerge gave its observations on the same. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company 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.

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 applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and in compliance with applicable laws, legislations and Draft Red Herring Prospectus in each jurisdiction, including India.

#### **Disclaimer Clause of the Emerge Platform of NSE**

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: [●] dated [●], permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized the draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

#### **Disclaimer clause under Rule144A of the U.S. Securities Act**

The Equity Shares have not been and will not be registered under the U.S Securities Act of 1933, as amended (Securities Act) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S Persons (as defined in Regulation S under the Securities Act.) except pursuant to exemption from, or in a transaction not subject to the registration requirements of the U.S. Securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transaction in reliance on Regulations under the Securities Act and the applicable laws of the jurisdiction where those offer and sale occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

### **Filing**

The Draft Red Herring Prospectus is being filed with the National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra- Kurla Complex Bandra (E), Mumbai – 400051.

A copy of the Prospectus along with the material contracts and documents referred elsewhere in the Prospectus required to be filed under Section 32 of the Companies Act, 2013 will be delivered to the Registrar of Companies, ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat, at least (3) three days prior from the date of opening of the Issue.

Pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022, Draft Red Herring Prospectus shall not be submitted to SEBI, however, soft copy of Prospectus with the Due Diligence Certificate shall be submitted to SEBI pursuant to Regulation 246(1), and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. SEBI will not issue any observation on the Issue document in term of Regulation 246(2) of the SEBI ICDR Regulations.

### **Listing**

Application will be made to the “National Stock Exchange of India Limited” for obtaining permission to deal in and for an official quotation of our Equity Shares. National Stock Exchange of India Limited will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The National Stock Exchange of India Limited has given its in-principle approval for using its name in the Offer Document vide its letter no. [●] dated [●].

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the SME Platform of National Stock Exchange of India Limited,

Our Company shall refund through verifiable means the entire monies received within 4 (four) days of receipt of intimation from stock exchanges rejecting the application for listing of specified securities, and if any such money is not repaid within 4 (four) days after our Company becomes liable to repay it our Company and every Director of our Company who is an officer in default shall, on and from the expiry of the 4th (fourth) day, be jointly and severally liable to repay that money with interest at the rate of 15 (fifteen) per cent. per annum.

### **Consents**

Consents in writing of (a) Our Directors, Peer Review Auditor(s) and Statutory Auditor(s), Company Secretary & Compliance Officer, Chief Financial Officer, Banker(s) to the Company; (b) Lead Manager, Underwriters, Market Maker, Registrar to the Issue, Banker to the Issue and Legal Advisor to the Issue to act in their respective capacities have been/will be obtained (before filing final prospectus to ROC) and will be filed along with a copy of the Prospectus with the ROC, as required under Section 26 of the

Companies Act and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the ROC.

Our Company has received written consent of our Statutory Auditors, M/s VSSB & ASSOCIATES to include their name as required under Section 26(5) of the Companies Act 2013 in this Draft Red Herring Prospectus, and as an “expert”, as defined under Section 2(38) of the Companies Act 2013 in respect of the examination report of the Statutory Auditors on the Restated Financial Statements dated August 20, 2024 and the statement of possible tax benefits dated August 20, 2024 included in this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under Securities Act.

#### **Expert Opinion**

Our Company has not obtained any expert opinions.

#### **Particulars regarding public or rights issues during the last five years**

Our Company has not undertaken any public issue in the five years preceding the date of this Draft Red Herring Prospectus. Further, except as disclosed in “Capital Structure” on page 79 our Company has not undertaken any rights issue in the five years preceding the date of this Draft Red Herring Prospectus.

#### **Commission or brokerage on previous issues in the last five years**

Since this is the initial public offering of the Equity Shares of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

#### **Capital Issues in the Preceding Three Years**

Except as disclosed in “Capital Structure” on page 79, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus. Further, none of the listed group companies/subsidiaries/associates of Our Company have made any capital issue in three years preceding the date of this Draft Red Herring Prospectus.

#### **Performance vis-à-vis Objects–Public/rights issue of our Company**

Our Company has not undertaken any public/rights issues in the five years preceding the date of this Draft Red Herring Prospectus.

#### **Performance vis-à-vis Objects – Public/ rights issue of the listed Promoter/listed Subsidiary/listed group [companies/listed associates of our Company**

Not Applicable as our Promoters are Individuals. Further, as on the date of this Draft Red Herring Prospectus, our Company does not have any Subsidiary Company/listed group company/listed associate company.

**Price information of past issues handled by the Lead Manager**

**Table 1 - Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Jawa Capital Services Private Limited**

S. No.	Issue Name	Issue Size (Rs. Cr.)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date	+/- % change in closing price [+/- % change in closing benchmark] 30 <sup>th</sup> calendar days from listing	+/- % change in closing price [+/- % change in closing benchmark] 90 <sup>th</sup> calendar days from listing	+/- % change in closing price [+/- % change in closing benchmark] 180 <sup>th</sup> calendar days from listing
1	Slone Infosystems Limited	11.06	79/-	May 10, 2024	Rs. 118.50/-	-19.18%	+41.21%	NA
2	Mandeep Auto Industries Limited	25.24	67/-	May 21, 2024	Rs. 62.25/-	-12.21%	-18.00%	NA

**Table 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 Jawa Capital Services Private Limited**

Financial Year	Total No. of IPOs	Total amount of funds raised (Rs. In Cr)	No. of IPOs trading at discount – 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium – 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount – 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium –180 <sup>th</sup> 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%
2024-25	2	36.3056	-	-	1	-	-	1	-	-	-	1	-	-
2023-24														
2022-23														
2021-22														

**Stock Market Data of the Equity Shares**

This being the initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

#### **Mechanism for Redressal of Investor Grievances**

The Memorandum of Understanding between the Registrar and our Company will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to this Issue for redressal of their grievances.

The Company has appointed Kfin Technologies Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, UPI ID (if applicable), number of Equity Shares applied for, amount paid on application and name of bank, the bank branch or collection centre where the application was submitted. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Issue, namely, **Kfin Technologies Limited** will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be coordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Bid-cum- Application Form was submitted by the ASBA Bidders.

We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be ten (10) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Company shall promptly, upon receipt of in-principle approval from NSE, obtain authentication on the SCORES and shall comply with the SEBI circulars (CIR/OIAE/1/2013) dated April 17, 2013 and (CIR /OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Our Company, the Lead Manager and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

#### **Disposal of Investor Grievances by our Company**

Our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders shall redress routine investor grievances. We estimate that the average time required by us or the Registrar to this Issue for the redressal of routine investor grievances will be 10 Business Days from the date of receipt of the complaint. In case of non- routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Ms. Bhavika Dhaval Makadia, Company Secretary as the Compliance

Officer and she may be contacted in case of any pre-issue or post-issue related problems, at the address set forth hereunder.

**Ms. Bhavika Dhaval Makadia,**  
**Company Secretary & Compliance Officer**  
29 Xcelon Ind Park 1, B/h, Intas Pharmaceuticals,  
Vasna Chacharvadi, Ahmedabad, Sanand,  
Gujarat, India, 382213;  
**Tel:** +91-97148 82929  
**Email:** [compliance@accretionpharma.com](mailto:compliance@accretionpharma.com)  
**Website:** <http://www.accretionpharma.com>

Further, our Board has constituted a Stakeholders' Relationship Committee comprising of Mr. Shyam Bhadresh Kapadia as the Chairperson and our Directors Mr. Vijay Bharatbhai Anadkat, Mr. Grishma A. Shewale and Mr. Harshad Nanubhai Rathod, as members to review and redress shareholder and investor grievances. For more information, see "Our Management" on page 187.

Our Company has not received any investor grievances during the three years preceding the date of this Draft Red Herring Prospectus and as on date, there are no investor complaints pending.

**Exemption from complying with any provisions of Securities Laws, if any, granted by SEBI**

The Company has not sought for any exemptions from complying with any provisions of securities laws.

## **SECTION XII - ISSUE INFORMATION**

### **TERMS OF THE ISSUE**

*The Equity Shares being issued are subject to the provisions of the Companies Act 2013, SEBI ICDR Regulations, SCRR, SEBI LODR Regulations, our Memorandum and Articles of Association, the terms of this Draft Red Herring Prospectus, the Abridged Prospectus, any addendum/ corrigendum thereto, the Application Form, the Revision Form, the Confirmation of Allocation Note ("CAN") and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to applicable laws, guidelines, notifications and regulations relating to the Issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, NSE, RBI, the FIPB, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.*

*Please note that, in accordance with the Regulation 256 of the SEBI (ICDR), Regulations, 2018 read with SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. As an alternate payment mechanism, Unified Payments Interface (UPI) has been introduced (vide SEBI Circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018) as a payment mechanism in a phased manner with ASBA for applications in public offers by retail individual investors through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants).*

#### **The Issue**

The Issue comprises of Fresh Issue of Equity Shares by our Company. Expenses for the Issue shall be borne our Company in the manner specified in "Objects of the Issue" beginning on page 102.

#### **Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to "Main Provisions of the Articles of Association" beginning on page 326 of this Draft Red Herring Prospectus.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of the Companies Act, the Articles of Association of our Company, the provisions of the SEBI LODR Regulations and any other rules, regulations or guidelines, directives as may be issued by the Government of India in connection thereto and recommended by the Board of Directors at their discretion and approved by majority Shareholders, and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act. Further, in case of offer for sale, dividends, if any, declared by our Company after the date of allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the offer for sale, for the entire year, in accordance with applicable law. For further details, please refer to the chapter titled "Dividend Policy" beginning page on 228 of this Draft Red Herring Prospectus.

#### **Face Value and Issue Price**

The Equity Shares having a Face Value of Rs. 10.00 each are being issued in terms of this Draft Red Herring Prospectus at the Offer Price at the lower end of the Price Band is Rs. [●] per Equity Share



("Floor Price") and at the higher end of the Price Band is Rs. [●] per Equity Share ("Cap Price"). The Anchor Investor Offer Price is Rs. [●] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company in consultation with the BRLM and advertised in one English national daily newspaper with wide circulation, Hindi national daily newspaper with wide circulation and one regional language newspaper with wide circulation at the place where the registered office of the issuer is situated, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchange for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchange. The Offer Price shall be determined by our Company, in consultation with the BRLM, 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 of Equity Shares.

#### **Compliance with the disclosure and accounting norms**

Our Company shall comply with all requirements of the SEBI ICDR Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

#### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

1. Right to receive dividend, if declared;
2. Right to receive Annual Reports & notices to members;
3. Right to attend general meetings and exercise voting rights, unless prohibited by law;
4. Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
5. Right to receive offer for rights shares and be allotted bonus shares, if announced;
6. Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
7. Right of free transferability of the Equity Shares; subject to applicable laws including any RBI Rules and Regulations; and
8. Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI LODR Regulations and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, please refer to Section titled "Main Provisions of Articles of Association" beginning on page 326 of this Draft Red Herring Prospectus.

#### **Minimum Application Value, Market Lot and Trading Lot**

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the NSE SME from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this offer document will be done in multiples of [●] Equity Share subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Further, in accordance with Regulation 267(2) of the SEBI ICDR Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

#### **Minimum Number of Allottees**

In accordance with the Regulation 268(1) of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and all the monies blocked by SCSBs shall be unblocked within four (4) working days of closure of Issue.

#### **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

#### **Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, 2013, read with Companies (Share Capital and Debentures) Rules, 2014, the sole or first applicant along with other joint applicant, may nominate any one person, to whom, in the event of the death of Sole Applicant or in case of joint applicant, death of all the applicants, 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 in accordance with Section 72 of the Companies Act, 2013, 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 sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of the said section, shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, 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 ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in this Issue will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

#### **ISSUE PROGRAMME**

An indicative timetable in respect of the Issue is set out below:

<b>Event</b>	<b>Indicative Date</b>
Bid/Issue Opening Date	[●] <sup>(1)</sup>
Bid/Issue Closing Date	[●] <sup>(2)</sup>

Note - (1) Our Company may, in consultation with the BRLM, 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 may, in consultation with the BRLM, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws. SEBI has vide its Circular No. SEBI/HO/CFD/TPD1/CIR/P/2023/140, dated August 09, 2023, has reduced the post issue timeline from 6 Working Days to 3 Working Days. The said reduced timelines of 3 Working Days, may be adopted by on voluntary basis for issues opening on or after September 01, 2023 and are mandatory for public issues opening on or after December 01, 2023. In the event our Issue opens on or after December 01, 2023, our Company shall ensure that the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Issue Closing Date or such other timelines, as maybe mandated by SEBI through issue of any circular.

**In terms of the UPI Circulars, in relation to the Offer, the BRLM will submit report of compliance with T+3 listing timelines (or such other reduced timelines, as may be applicable) and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.**

#### **Submission of Bids (Other than Bids from Anchor Investors)**

<b>Bid/Issue Period (except the Bid/Issue Closing Date)</b>	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("IST"))
<b>Bid/Issue Closing Date</b>	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

**On the Bid/Issue 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 Exchange, in case of Bids by Retail-Individual Bidders.

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchange only for uploading Bids received from Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchange.

The Registrar to the Offer shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/Issue Opening Date till the Bid/Issue Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members, if any shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchange, 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/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is Indian Standard Time. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only during Monday to Friday (excluding any public holiday). None among our Company, or any Member of the Syndicate shall be liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or blocking of application amount by the SCSBs 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.

In case of any discrepancy in the data entered in the electronic book vis-a-vis data contained in the physical Bid cum Application Form, for a particular Bidder, the details of the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

Our Company, in consultation with the BRLM, reserve the right to revise the Price Band during the Bid/Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. 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 shall not be less than the face value of the Equity Shares.

**In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Offer Period not exceeding a total of 10 Working Days.**

**In cases of force majeure, banking strike or similar circumstances, our Company may, in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a public notice, and also by indicating the change on the respective websites of the BRLM and the terminals of the Syndicate Members, if any and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.**

In case of any delay in unblocking of amounts in the ASBA Accounts exceeding four Working Days from the Bid / Issue Closing Date, the Bidder shall be compensated at a uniform rate of Rs. 100 per day for the entire duration of delay exceeding four Working Days from the Bid / Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

### **Minimum Subscription**

In accordance with Regulation 260 (1) of SEBI ICDR Regulations, this Issue is 100% underwritten, so this Issue is not restricted to any minimum subscription level.

As per section 39 of the Companies Act, if the “stated minimum amount” has not been subscribed and the sum payable on Application is not received within a period of 30 days from the date of issue of Prospectus, the Application Amount has to be returned within such period as may be prescribed.

If our Company does not receive the subscription of 100% of the Issue through this Issue document including devolvement of Underwriters, our Company shall forthwith unblock the entire subscription amount received. If there is a delay beyond 15 (Fifteen) days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under SEBI ICDR Regulations, Companies Act, 2013 and applicable laws.

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 issued or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

In accordance with Regulation 260 of the SEBI ICDR Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the issue through the Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 268(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty).

Further, in accordance with Regulation 267(2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than Rs.1,00,000 (Rupees One Lakh only) per application.

### **Arrangements for disposal of odd lots**

The trading of the Equity Shares will happen in the minimum contract size of [●] equity shares in terms of the SEBI Circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in 1 (one) lot, where value of such shareholding is less than the minimum contract size allowed for trading on NSE SME.

### **Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting**

Except for lock-in of the Pre-Issue Equity Shares and Promoter minimum contribution in the Issue as detailed in the section titled “Capital Structure” beginning on page 79 of this Draft Red Herring Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of

shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer sub-heading "Main Provisions of the Articles of Association" on page 326 of this Draft Red Herring Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager to the Issue do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager to the Issue are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

### **New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this Issue.

### **Allotment only in Dematerialized Form**

Pursuant to Section 29 of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. As per SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been executed by our Company with the respective Depositories and the Registrar to the Issue before filing this Draft Red Herring Prospectus:

- i. Tripartite agreement dated August 23, 2024 among CDSL, our Company and the Registrar to the Issue; and
- ii. Tripartite agreement dated September 03, 2024 among NSDL, our Company and the Registrar to the Issue.

As per the provisions of the Depositories Act, 1996 & regulations made there under and Section 29 (1) of the Companies Act, 2013, the equity shares of a body corporate can be in dematerialized form i.e. not in the form of physical certificates, but be fungible and be represented by the statement issued through electronic mode.

### **Migration to Main Board**

In accordance with Regulation 277 of the SEBI ICDR Regulations:

An issuer, whose specified securities are listed on a SME Exchange and whose post-issue face value capital is more than Rs. 10 Crore and up to Rs. 25 Crore, may migrate its specified securities to the main board of the stock exchanges if its shareholders approve such a migration by passing a special resolution through postal ballot to this effect and if such issuer fulfils the eligibility criteria for listing laid down by the Main Board:

Provided that the special resolution shall be acted upon if and only if the votes cast by shareholders other than promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Further, the Company shall comply with the extant regulations of the Main Board of the Stock Exchange/s, where the Company is proposing to migrate.

### **Market Making**

The Equity Shares offered through this Issue are proposed to be listed on NSE SME, wherein the Book Running Lead Manager to the Issue shall ensure compulsory Market Making through the registered Market Makers of NSE SME for a minimum period of 3 (three) years from the date of listing on NSE SME. For further details of the agreement entered into between our Company, the Book Running Lead Manager to the Issue and the Market Maker please refer to section titled "General Information - Details of the Market Making Arrangements for this Issue" beginning on page 75 of this Draft Red Herring Prospectus.

In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012, it has been decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Issue size in the following manner:

Issue Size	Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue size)	Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue size)
Up to Rs. 20 Crores	25%	24%
Rs. 20 Crores to Rs. 50 Crores	20%	19%
Rs. 50 Crores to Rs. 80 Crores	15%	14%
Above Rs. 80 Crores	12%	11%

Further, the Market Maker shall give 2 (Two) way quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. 2 (Two) way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

#### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in New Delhi, India.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States to, or for the account or benefit of "U.S. persons" (as defined in Regulation S), except pursuant to an exemption from or in a transaction not subject to, registration requirements of the U.S.

Securities Act and applicable U.S. state Securities laws. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(2) of Chapter IX of the SEBI ICDR Regulations, as amended from time to time, whereby, an Issuer whose post issue face value capital is more than Rs. 10 Crores (Rupees Ten Crores only) and upto Rs. 25 Crores (Rupees 25 Crores only), may issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ["SME Exchange", in this case being the NSE SME]. For further details regarding the salient features and terms of such this Issue, please see the chapters titled "Terms of the Issue" and "Issue Procedure" beginning on page 271 and 284 respectively, of this Draft Red Herring Prospectus.

### ISSUE STRUCTURE:

This Issue comprise of upto 30,00,000 Equity Shares of Face Value of Rs. 10/- each fully paid ("Equity Shares") for cash at a price of [●] per Equity Shares (including a premium of [●] per equity share) aggregating to [●] Lakhs ("the Issue"/"the Offer") comprising of Fresh Issue of [●] Equity Shares aggregating upto [●] Lakhs. The Issue and the Net Issue will constitute [●] and [●] respectively of the post Issue paid up Equity Share Capital of the Company.

### The Issue is being made by way of Book Building Process:

Particulars of the Issue	Market Maker Reservation Portion	QIBs	Non-Institutional Applicants	Retail Individual Investors
Number of Equity Shares*	Up to [●] Equity Shares	Not more than [●] Equity Shares	Not less than [●] Equity-Shares available for allocation or Issue less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Issue Size available for allocation	[●]% of the Issue Size	Not more than 50% of the Net Issue being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund	Not less than 15% of the Issue or the Issue less allocation to QIB Bidders and RIBs will be available for allocation. One-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size more than Rs. 200,000 to Rs. 1,000,000 and two-	Not less than 35% of the Issue or Issue less allocation to QIBs and Non-Institutional Bidders will be available for allocation



		<p>Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion</p>	<p>thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than Rs. 1,000,000.</p>	
<p><b>Basis of Allotment</b></p>	<p>Firm Allotment</p>	<p>Proportionate as follows (excluding the Anchor Investor Anchor Investor Portion):  a) Up to [●] Equity Shares shall be available for allocation on proportionate basis to Mutual Funds only; and  b) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. 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</p>	<p>Allotment to each Non-Institutional Bidder shall not be Less than the Minimum NIB Application Size, subject to the availability of Equity Shares in the Non- Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis. For details, see “Issue Procedure” beginning on page 284</p>	<p>Allotment to each Retail Individual Bidder shall not be less than the Maximum 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 details, see “Issue Procedure” beginning on page 284.</p>

		Anchor Investor Allocation Price.		
<b>Mode of Bid</b>	Only through the ASBA process.		Only through the ASBA process.	Only through the ASBA process.
<b>Mode of allotment Minimum Bid Size</b>	Compulsorily in dematerialized form [●] Equity Shares in multiple of [●] Equity shares	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds Rs 2,00,000	Such number of Equity shares in multiple of [●] Equity shares that Bid size exceeds Rs 2,00,000	[●] Equity Shares
<b>Maximum Bid Size</b>	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of 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 size of 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 Rs 2,00,000
<b>Trading Lot</b>	[●] Equity Shares, however The Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof
<b>Terms of Payment</b>	<p><b>In case of Anchor Investors:</b> Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids</p> <p><b>In case of all other Bidders:</b> 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 or Individual investors bidding under the Non –Institutional Portion for an amount of more than Rs. 2,00,000 and up to Rs. 5,00,000, using the UPI Mechanism) that is specified in the ASBA Form at the time of submission of the ASBA Form</p>			
<b>Mode of Bid</b>	Only through the ASBA process (except for Anchor Investors)			

\* Assuming full subscription in the Offer

Notes:

1. Our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to

*valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. 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 QIB Portion. For further details, see "Issue Procedure" beginning on page 284*

2. *Subject to valid Bids being received at or above the Issue Price. The Issue is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 252 of the SEBI ICDR Regulations, this is an Issue of at least 25% of the post- Issue paid-up Equity Share capital of our Company. This Issue is being made through the Book Building Process, wherein allocation to the public shall be made as per Regulation 253 of the SEBI ICDR Regulations.*
3. *Subject to valid Bids being received at or above the Issue 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 BRLM and the Designated Stock*
4. *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, please see "Terms of the Issue" on page 271.*
5. *Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid, provided that any positive difference between the Anchor Investor Allocation Price and the Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.*

#### **WITHDRAWAL OF THE ISSUE**

Our Company in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

Our Company in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue for any reason at any time after the Bid/ Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue Further, the Stock Exchanges shall be informed promptly in this regard by our Company and the BRLM. Also, BRLM through the Registrar to the Issue, shall notify the SCSBs and the Sponsor Banks to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification.

In the event of withdrawal of the Issue and subsequently, plans of a fresh Issue by our Company, a fresh Draft Red Herring Prospectus will be submitted again to Stock Exchange.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within Three Working Days or reduced period of Three Working Days, as may be applicable, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company in consultation with the Book Running Lead Managers withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with a public issue of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with the Stock Exchange.

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.

#### **ISSUE PROGRAMME**

Event	Indicative Date
Bid/Issue Opening Date	[●]
Bid/Issue Closing Date	[●]

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

*Bids and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Offer Period at the Bidding Centres mentioned in the Bid cum Application Form. Standardization of cut-off time for uploading of bids on the Bid/Offer closing date:*

*A standard cut-off time of 3.00 p.m. for acceptance of bids.*

*A standard cut-off time of 4.00 p.m. for uploading of bids received from other than retail individual applicants.*

*A standard cut-off time of 5.00 p.m. for uploading of bids received from only retail individual applicants, which may be extended up to such time as deemed fit by NSE after taking into account the total number of bids received up to the closure of timings and reported by BRLM to NSE within half an hour of such closure.*

*It is clarified that Bids not uploaded in the book, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical bid cum application form of that Bidder may be taken as the final data for the purpose of allotment.*

*Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).*

## ISSUE PROCEDURE

All Bidders should refer to the General Information Document for Investing in Public Issues prepared and issued in accordance with SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 (“General Information Document”), which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document is available on the websites of NSE and the Book Running Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue, especially in relation to the process for application by Retail Individual Investors through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, and as modified through its circular SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 (together, the “UPI Circular”) has proposed to introduce 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 RIIIs applying through Designated Intermediaries have been made effective along with the existing process and existing timeline of T+6 environment. The same was applicable until June 30, 2019 (“UPI Phase I”). Currently, for application by RIIIs through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds is discontinued and RIIIs submitting their Application Forms through Designated Intermediaries (other than SCSBs) can only use the UPI mechanism with existing timeline of T+6 environment until March 31, 2020 (“UPI Phase II”). However, owing to Covid-19 virus pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI has decided to continue with the current Phase II of the UPI ASBA till further notice. The final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs (“UPI Phase III”), as may be prescribed by SEBI.

Furthermore, SEBI vide circular No. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023, has decided to reduce the time taken for listing of specified securities after the closure of public issue to 3 working days (T+3 days) as against the present requirement of 6 working days (T+6 days); ‘T’ being issue closing date. As per the provisions of the said circular, the revised timelines shall be applicable on voluntary basis for public issues opening on or after September 1, 2023 and would be mandatory for public issues opening on or after December 1, 2023. It may also be noted that the timelines prescribed for public issues as mentioned in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021, and circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 shall stand modified to the extent stated in circular No. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023.

The Issue will be made under UPI Phase III as notified in the T+3 Notification, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with circular no. SEBI/HO/CFD/DIL2/ P/CIR/2021/570 dated June 02, 2021, circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, and Master SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances.

Furthermore, pursuant to circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to Rs. 5,00,000 shall use the UPI Mechanism. This circular has come into force for initial public offers opening on or after May 1, 2022 and the provisions of this circular are deemed to form part of this Draft Red Herring Prospectus. Subsequently, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/ 2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding three Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of Rs. 100 per day for the entire duration of delay exceeding three Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. Additionally, SEBI vide its circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 has reduced the time period for refund of application monies from 15 days to four days. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

**The BRLM shall be the nodal entity for any issues arising out of public issuance process.** In terms of regulation 23(4), 23(5) and regulation 271 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, in SEBI Circular. No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, the timelines, processes and compensation policy shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and Book Running Lead Manager shall continue to coordinate with intermediaries involved in the said process.

Our Company and the Book Running Lead Manager 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. Investors are advised to make their independent investigations and ensure that their applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus. Further, our Company and the members of syndicate do not accept any responsibility for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Issue.

Further, Our Company and the Book Running Lead Manager are not liable for any adverse occurrence's consequent to the implementation of the UPI Mechanism for Bid in this Issue.

### **Book Building Procedure**

The Issue is being made through the Book Building Process, in terms of Rule 19(2)(b) of the SCRR read with Regulation 229(2) read with Regulation 253(1) of the SEBI ICDR Regulations and in compliance with Chapter IX of the SEBI ICDR Regulations.

The allocation to the public will be made as per Regulation 253 of SEBI ICDR Regulations, wherein not more than 50% of the Net Issue shall be allocated on a proportionate basis to QIBs. Further, 5% of the QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Accordingly, we have allocated the Net Issue i.e., not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders and not less than 15% of the Net Issue shall be available for allocation to Non institutional bidders and not more than 50% of the Net Issue shall be allocated on a proportionate basis to QIBs.

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

The Equity Shares, on Allotment, shall be traded only in the dematerialized mode on the platform of the Stock Exchanges.

**Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, for the UPI Bidders using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.**

**Investors must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021 and September 17, 2021.**

#### **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 (and subsequently, all UPI Bidders) through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continued to be six Working Days during this phase.

**Phase III:** SEBI vide press release bearing number 12/2023 announced approval of proposal for reducing the time period for listing of shares in public issue from existing six working days to three working days and pursuant to SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("T+3 Notification"), this phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023. In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Issue will be made under UPI Phase III as notified in the T+3 Notification, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars 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 BRLM responsible for post-offer activities 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. The issuers will be required to appoint one of the SCSBs as a sponsor bank(s) to act as conduits between the Stock Exchanges and NPCI in order to facilitate collection of requests and /or payment instructions of the UPI Bidders using the UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

### **Bid cum Application Form**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM's, the Designated Intermediaries at relevant Bidding Centers, and at the Registered Office and Corporate Office of our Company. The electronic copy of the Bid cum Application Form will also be available for download on the websites of the NSE Limited ([www.nseindia.com](http://www.nseindia.com)), at least one day prior to the Bid Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process. The UPI Bidders can additionally Bid through the UPI Mechanism.



UPI Bidders using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected. UPI Bidders bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI.

ASBA Bidders (those not using UPI Mechanism) must provide bank account details and authorization 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. The ASBA Bidders shall ensure that they have sufficient balance in their bank accounts to be blocked through ASBA for their respective Bid as the application made by a Bidder shall only be processed after the Bid amount is blocked in the ASBA account of the Bidder pursuant to SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. UPI Bidders using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Banks, as applicable at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour*
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis <sup>^</sup>	White
Non-Residents including FPIs, Eligible NRIs, FVCI and registered bilateral and multilateral institutions applying on a repatriation basis <sup>^</sup>	Blue
Anchor Investors <sup>1</sup>	Green

*\*Excluding electronic Bid cum Application Form.*

*<sup>^</sup> Electronic Bid cum Application Form and the abridge prospectus will be made available for download on the website of the NSE ([www.nseindia.com](http://www.nseindia.com))*

*<sup>1</sup> Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLM. 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. Subsequently, for ASBA Forms (other than UPI Bidders using UPI Mechanism), Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.*

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges. For ASBA Forms (other than UPI Bidders using UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For UPI Bidders using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Banks on a continuous basis through API integration to enable the Sponsor Banks to initiate a UPI Mandate Request to such UPI Bidders for blocking of funds. The Sponsor Banks shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Banks, 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 BRLMs for analysing the same and fixing liability.

The processing fees for applications made by the UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such SCSBs provide a written confirmation in compliance with the SEBI RTA Master Circular, in a format prescribed by SEBI or applicable law.

Pursuant to NSE circular dated July 22, 2022 with reference no. 23/2022 and NSE circular dated July 22, 2022 with reference no. 20220722-30, it has been mandated that Trading Members, Syndicate Members, RTA and Depository Participants shall submit Syndicate ASBA bids above Rs. 500,000 and NII & QIB bids above Rs. 200,000, through SCSBs only.

For all pending UPI Mandate Requests, the Sponsor Banks shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Offer Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders Bidding using through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

The Sponsor Banks 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 Banks will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Banks 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.

### **Who can Bid?**

Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCI may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the Red Herring Prospectus for more details.

**Subject to the above, an illustrative list of Bidders is as follows:**

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to hold and invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable);
- FPIs other than FPIs which are individuals, corporate bodies and family offices Bidding under the QIBs category;
- FPIs which are individuals, corporate bodies and family offices, Bidding under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI published in the Gazette of India;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to Bid/Apply in the Offer, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws;

**Applications should not to be made by:**

- Minors (except through their Guardians)
- Partnership firms or their nominations
- Foreign Nationals (except NRIs)
- Overseas Corporate Bodies

**As per the existing regulations, OCBs are not eligible to participate in this Offer. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh**

investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the

prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Offer provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.

#### **Maximum and Minimum Application Size**

##### **1. For Retail Individual Bidders**

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Bidder does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed Rs. 2,00,000.

##### **2. For Other than Retail Individual Bidders (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds Rs. 2,00,000 and in multiples of [●] Equity Shares thereafter. An application cannot be submitted for more than the Net Offer Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.

The above information is given for the benefit of the Bidders. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

#### **Bidding Process**

Our Company in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Offer and the same shall be advertised in one English national daily newspaper with wide circulation, Hindi national daily newspaper with wide circulation and one regional language newspaper with wide circulation at the place where the registered office of the issuer is situated at least two Working Days prior to the Bid /Issue Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid / Offer Period.

- a) The Bid / Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period maybe extended, if required, by an additional three

Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid / Issue Period, if applicable, will be published in one English national daily newspaper with wide circulation, Hindi national daily newspaper with wide circulation and one regional language newspaper with wide circulation at the place where the registered office of the issuer is situated and also by indicating the change on the websites of the Book Running Lead Manager.

- b) During the Bid/ Issue Period, Retail Individual Bidders, should approach the BRLM or their authorized agents to register their Bids. The BRLM shall accept Bids from Anchor Investors and ASBA Bidders in Specified Cities and it shall have the right to vet the Bids during the Bid/ Offer Period in accordance with the terms of the Red Herring Prospectus. ASBA Bidders should approach the Designated Branches or the BRLM (for the Bids to be submitted in the Specified Cities) to register their Bids.
- c) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels and Revision of Bids” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Offer Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Offer Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- d) The Bidder / Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Offer. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Buildup of the Book and Revision of Bids”.
- e) Except in relation to the Bids received from the Anchor Investors, the BRLM/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form
- f) The BRLM shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Offer Period i.e. one working day prior to the Bid/ Offer Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.
- g) Along with the Bid cum Application Form, Anchor Investors will make payment in the manner described in “Escrow Mechanism - Terms of payment and payment into the Escrow Accounts” in the section “Issue Procedure” beginning on page 284 of this Draft Red Herring Prospectus.
- h) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form, prior to uploading such Bids with the Stock Exchange.

- i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.
- j) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- k) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Offer Account, or until withdrawal/failure of the Offer or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Offer shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Offer Account. In case of withdrawal/failure of the Offer, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Offer.

#### **Bids at different price levels and revision of bids**

- a. **Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.**
- b. **Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.**
- c. **The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut- off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.**
- d. **Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders are required to enter either the ASBA Bank account details or the UPI ID. In case the Retail Individual Bidder doesn't provide any of the ASBA Bank account details or the UPI ID then the application would be rejected. For application submitted by RIIs to Designated Intermediaries (other than SCSBs), RIIs providing both, the ASBA Bank account details as well as the UPI ID, the UPI ID will be considered for processing of the application. NRIs applying in the Issue through the UPI mechanism are advised to enquire with the relevant Bank, whether their account is UPI linked, prior to making such application.**
- e. **The price of the specified securities offered to an anchor investor shall not be lower than the price offered to other applicants.**

**Participation by the Promoters, the members of the Promoter Group, the Book Running Lead Manager, the Syndicate Member(s) and persons related to the Promoters/the members of the Promoter Group/the Book Running Lead Manager**

The Book Running Lead Manager and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the Book Running Lead Manager and the Syndicate Member(s) may purchase Equity Shares in the Issue under the Non-Institutional Category and such subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the Book Running Lead Manager and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Further, the Promoters and members of the Promoter Group shall not participate by applying for Equity Shares in the Issue.

Except as stated below, neither the Book Running Lead Manager nor any associate of the Book Running Lead Manager can apply in the Issue under the Anchor Investor Portion:

- (i) mutual funds sponsored by entities which are associate of the Book Running Lead Manager;
- (ii) insurance companies promoted by entities which are associate of the Book Running Lead Manager;
- (iii) AIFs sponsored by the entities which are associate of the Book Running Lead Manager; or
- (iv) FPIs (other than individuals, corporate bodies and family offices) sponsored by the entities which are associate of the Book Running Lead Manager.

Further, the Promoters and members of the Promoter Group shall not participate by applying for Equity Shares in the Issue. Further, persons related to the Promoters and the member of the Promoter Group shall not apply in the Issue under the Anchor Investor Portion.

However, a QIB who has any of the following rights in relation to our Company shall be deemed to be a person related to the Promoters or the members of the Promoter Group of our Company:

- (i) rights under a shareholders' agreement or voting agreement entered into with the Promoters or the members of the Promoter Group of our Company;
- (ii) veto rights; or
- (iii) right to appoint any nominee director on the Board.

Further, an Anchor Investor shall be deemed to be an "associate of the Book Running Lead Manager" if:

- (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or
- (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or
- (iii) there is a common director, excluding nominee director, among the Anchor Investors and the Book Running Lead Manager.

**Bids by Mutual Funds**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the Book Running Lead Manager, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

**In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which such Bid has been made.**

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity-related instruments of any single company, provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

### **Bids by Eligible NRIs**

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). Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries.

Eligible NRI Bidders Bidding on a repatriation basis by using the Non-Resident Forms should authorise their SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and Eligible NRI Bidders Bidding on a non-repatriation basis by using Resident Forms should authorise their respective SCSBs (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

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.

Eligible NRIs will be permitted to apply in the Issue through Channel I or Channel II (as specified in the SEBI UPI Circulars). Further, subject to applicable law, Eligible NRIs may use Channel IV (as specified in the SEBI UPI Circulars) to apply in the Issue, provided the UPI facility is enabled for their NRE/NRO accounts.

For details of restrictions on investment by NRIs, see "Restrictions on Foreign Ownership of Indian Securities" beginning on page 324.

Participation of Eligible NRIs in the Issue shall be subject to the FEMA Rules.

### **Bids by HUFs**



Bids by HUFs, should be made in the individual name of the Karta. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or First Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs will 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 the post-Issue 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. With effect from April 1, 2020, the aggregate limit by FPIs shall be the sectoral caps applicable to the Indian company as prescribed in the FEMA Rules with respect to its paid-up equity capital on a fully diluted basis. While the aggregate limit as provided above could have been decreased by the concerned Indian companies to a lower threshold limit of 24% or 49% or 74% as deemed fit, with the approval of its board of directors and its shareholders through a resolution and a special resolution, respectively before March 31, 2020, our Company has not decreased such limit and accordingly the applicable limit with respect to our Company is 100%. 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, in consultation with the Book Running Lead Manager, reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non- Residents (Blue in colour).

A FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognised stock exchange in India, and/or may purchase or sell securities other than equity instruments.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

To ensure compliance with the applicable limits, 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 Issue 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 Issue to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs, (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs, (iii) such offshore derivative instruments are

issued after compliance with “know your client” norms, and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to, among others, 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.

Further, Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs may not be regarded as multiple Bids:

- FPIs which utilise the multi-investment manager (“MIM”) structure.
- Offshore derivative instruments (“ODI”) which have obtained separate FPI registration for ODI and proprietary derivative investments.
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration.
- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager.
- Multiple branches in different jurisdictions of foreign bank registered as FPIs.
- Government and Government related investors registered as Category I FPIs.
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to the aforesaid seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN). In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilise any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation.

In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

### **Bids by Limited Liability Partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the Book Running Lead Manager, 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 Book Running Lead Manager, reserves the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended, ("**Banking Regulation Act**"), and the Master Directions - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the banking company's paid-up share capital and reserves, whichever is lower.

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 banking companies in terms of Section 6(1) of the Banking Regulation Act, (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company, (iii) hold along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank, and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid up share capital engaged in non-financial services. However, this cap does not apply to the cases mentioned in (i) and (ii) above.

Further, the aggregate investment by a banking company in all its subsidiaries and other entities engaged in financial services and non-financial services, including overseas investments, cannot exceed 20% of the banking company's paid-up share capital and reserves.

The banking company is required to submit a time-bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary or a financial services company that is not a subsidiary (with certain exceptions prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in para 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

### **Bids by SCSBs**

SCSBs participating in the Issue are required to comply with the terms of the circulars dated September 13, 2012 and January 2, 2013 issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such Bids.

### **Bids by Insurance Companies**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the Book Running Lead Manager, reserves the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers are prescribed under Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 ("**IRDAI Investment Regulations**"), and are based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDAI Investment Regulations 2016, as amended, which 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 Rs. 2,50,00,000 Lakhs or more and 12% of outstanding equity shares (face value) for insurers with investment assets of Rs. 5,00,00,000 Lakhs or more but less than Rs. 2,50,00,000 Lakhs.

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI, from time to time, including the IRDAI Investment Regulations for specific investment limits applicable to them.

#### **Bids by provident funds/pension funds**

In case of Bids made by provident funds or pension funds registered with the Pension Fund Regulatory and Development Authority, subject to applicable laws, with minimum corpus of Rs. 25 Crores, 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 BRLMs 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 the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of Rs. 25 Crores (subject to applicable law) and pension funds registered with the Pension Fund Regulatory and Development Authority with a minimum corpus of Rs. 25 Crores, 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 BRLMs reserve 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 BRLMs 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 BRLMs may deem fit.

#### **Bids by SEBI Registered AIFs, VCFs and FVCIs**

The SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs. Post the repeal of the SEBI VCF Regulations, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or

scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The SEBI FVCI Regulations prescribe the investment restrictions on FVCIs. Category I AIFs and Category II AIFs cannot invest more than 25% of the investible funds in one investee company directly or through investment in the units of other AIFs. A category III AIF cannot invest more than 10% of the investible funds in one investee company directly or through investment in the units of other AIFs. 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.

The holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in initial public offerings.

Further, the shareholding of VCFs, Category I AIFs or Category II AIFs and FVCIs in a company prior to an initial public offering being undertaken by such company, shall be exempt from lock-in requirements, provided that such equity shares shall be locked in for a period of at least six months from the date of purchase by the VCF or AIF or FVCI. However, if such VCFs, Category I AIFs or Category II AIFs and FVCIs hold individually or with persons acting in concert, more than 20% of the pre-issue shareholding of such company, this exemption from lock-in requirements will not be applicable.

There is no reservation for Eligible NRIs, AIFs, FPIs and FVCIs. All such Bidders will be treated on the same basis with other categories for the purpose of allocation. Participation of VCFs, AIFs or FVCIs in the Issue shall be subject to the FEMA Rules.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company or the Book Running Lead Manager will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

**The above information is given for the benefit of the Bidders. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this 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 laws or regulation and as specified in the Draft Red Herring Prospectus. Information for Bidders.**

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such acknowledgement slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier acknowledgement slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchange 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 and/or the Book Running Lead Manager are cleared or approved by the Stock Exchange, nor does it in any

manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company, nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchange.

### **Bids by Anchor Investors**

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Issue for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of under subscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

1. Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLM.
2. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least Rs. 2 Crore. 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 Rs. 2 Crore.
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/ Issue Opening Date and be completed on the same day.
5. Our Company in consultation with the BRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
  - where allocation in the Anchor Investor Portion is up to Rs. 2 Crore, maximum of 2 (two) Anchor Investors.
  - where the allocation under the Anchor Investor Portion is more than Rs. 2 Crore but upto Rs. 25 Crore, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of Rs. 1 Crore per Anchor Investor; and
    - where the allocation under the Anchor Investor portion is more than Rs. 25 Crore, minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto Rs. 25 Crore; and an additional 10 (ten) Anchor Investors for every additional allocation of Rs.25 Crores or part thereof in the Anchor Investor Portion; subject to minimum allotment of Rs. 1 Crore per Anchor Investor.
6. Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/ Issue Opening Date, through intimation to the Stock Exchange.

7. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
8. If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/ Issue Closing Date. If the Issue 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 Issue Price.
9. At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
10. There shall be a lock-in of 90 days on 50% of the shares allotted to the anchor investors from the date of allotment, and a lock-in of 30 days on the remaining 50% of the shares allotted to the anchor investors from the date of allotment.
11. The BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection by SEBI.
12. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
13. Anchor Investors are not permitted to Bid in the Issue through the ASBA process.

**Issue of securities in dematerialised form:**

1. **Investors should note that the Equity Shares will be allotted to all successful Bidders only in dematerialised form. Investors will not have the option of being Allotted Equity Shares in physical form.**
2. **It is mandatory to furnish the details of Bidders' depository account along with Application Form. The Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, UPI ID (in case of Retail Individual Investors using the UPI Mechanism) and PAN, shall be treated as incomplete and will be rejected.**
3. **The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchange.**
4. **A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.**

**Information for the Bidders:**

1. Our Company and the Book Running Lead Manager shall declare the Issue Opening Date and Issue Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
3. Copies of the Bid Cum Application Form along with Abridge Prospectus and copies of the Red Herring Prospectus will be available with the, the Book Running Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.
4. Any Bidder who would like to obtain the Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.
5. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.
8. Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Offer will be made into the accounts of such Bidders.



10. The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

**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 (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”) pursuant to Section 4(a) of the U.S. Securities Act, and (ii) outside 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.**

**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.**

#### **Offer Procedure for Application Supported by Blocked Account (ASBA) Bidders**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

#### **Terms of payment**

The entire Issue Price of Rs. [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Offer Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

#### **Payment mechanism**

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Offer shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Offer and consequent transfer of the Application Amount to the Public Offer Account, or until withdrawal/ failure of the Offer or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI ICDR Regulations, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

#### **Payment into Escrow Account for Anchor Investors**

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the Book Running Lead Manager, in its 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. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- a. In case of resident Anchor Investors: “[●]”
- b. In case of Non-Resident Anchor Investors: “[●]”

Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections from the Anchor Investors.

#### **Electronic registration of bids**

a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.

b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in this Red Herring Prospectus.

c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 5:00 pm on the next Working Day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing. It may be noted that in line with SEBI Circular No. [●] dated [●], whereby the existing timelines for Public Issue are being reduced, the Designated Intermediaries are given till 5:00 pm on the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

### **Build Up of the Book**

- (a) Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the Book Running Lead Manager at the end of the Bid/Issue Period.
- (b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centres during the Bid/Issue Period.

### **Withdrawal of Bids**

- (a) RIs can withdraw their Bids until Bid/Issue Closing Date. In case a RI wishes to withdraw the Bid, the same can be done by submitting a request for the same to the concerned Designated Intermediary, who shall do the requisite, including unblocking of the funds in the ASBA Account.
- (b) The Registrar to the Issue shall give instruction to the SCSB or the Sponsor Bank, as applicable, for unblocking the ASBA Account upon or after the finalization of basis of Allotment. **QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.**

### **Basis of Allocation**

- (a) The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Issue depending on compliance with the applicable eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the Red Herring Prospectus/Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the Red Herring Prospectus/Prospectus.
- (b) Under-subscription in any category (except QIB category) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the Book Running Lead Manager and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- (c) In case of under subscription in the Net Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Net Offer. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the Red Herring Prospectus.

(d) Illustration of the Book Building and Price Discovery Process

Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per share, issue size of 3,000 equity shares and receipt of five bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the equity shares of the issuer at various prices and is collated from bids received from various bidders.

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

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to offer the desired number of equity shares is the price at which the book cuts off, i.e., Rs. 22 in the above example. The issuer, in consultation with the Book Running Lead Manager, may finalise the Issue Price at or below such cut-off price, i.e., at or below Rs. 22. All bids at or above this Issue Price and cut-off bids are valid bids and are considered for allocation in the respective categories.

#### Signing of Underwriting Agreement

Our Company, the Book Running Lead Manager and Underwriters intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Offer Price but prior to the filing of the Red Herring Prospectus or the Prospectus, as applicable.

#### Filing of Offer Document

The Draft Red Herring Prospectus has not been filed with SEBI, nor has SEBI issued any observation on the Draft Red Herring Prospectus in terms of Regulation 246 of SEBI (ICDR) Regulations. However, pursuant to sub regulation (5) of regulation 246, the copy of Red Herring Prospectus shall also be furnished to the board in a soft copy. Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Red Herring Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in> in addition to filing with the stock exchanges.

Additionally, in light of the SEBI notification dated March 27, 2020, our Company will submit a copy of this Red Herring Prospectus to the email address: [cfddil@sebi.gov.in](mailto:cfddil@sebi.gov.in).

#### Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, 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) one English national daily newspaper, and (ii) one Hindi national daily newspaper (Hindi also being the regional language of the state wherein our Registered Office is located) each with wide circulation.

In the pre- Offer advertisement, we shall state the Bid/Issue Opening Date and the Bid/ Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

#### Issuance of Confirmation of Allocation Note ("CAN")

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

### **Designated Date**

On the Designated Date, the Anchor Escrow Bank shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Accounts, as per the terms of the Cash Escrow Agreement, into the Public Offer Account with the Bankers to the Issue. The balance amount after transfer to the Public Offer Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Cash Escrow Agreement and the Red Herring Prospectus. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs or the Sponsor Bank, as applicable, to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Offer Account.

### **General Instructions**

#### **Do's:**

1. Check if you are eligible to apply as per the terms of this Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that you (other than the Anchor Investors) have mentioned the correct details of your ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not a UPI Bidder using the UPI Mechanism in the Bid cum Application Form and if you are a UPI Bidder using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Center (except in case of electronic Bids) within the prescribed time. Bidders (other than Anchor Investors) shall submit the Bid cum Application Form in the manner set out in the General Information Document;
6. RIBs Bidding shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID (only for UPI Bidders 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;
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. UPI Bidders using UPI Mechanism, may submit their ASBA Forms with the Syndicate Member, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;
9. In case of joint Bids, ensure that the 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;
10. Ensure that the signature of the first Bidder in case of joint Bids, is included in the Bid cum Application Forms. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

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 the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
12. Ensure that you request for and receive a stamped Acknowledgment Slip in the form of a counterfoil or acknowledgment specifying the application number as a proof of having accepted the of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
13. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed, and obtain a revised Acknowledgment Slip;
14. UPI Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and/or the designated branches of SCSBs;
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 UPI Bidders 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 circular (No. MRD/DoP/Cir-20/2008) dated June 30, 2008 issued by the SEBI, 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 Bids by persons resident in the state of Sikkim, who, in terms of the 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 Income Tax 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 (c) 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 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;
18. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
19. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trusts, etc., the relevant documents, including a copy of the power of attorney, if applicable, are submitted;
20. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;
21. Since the Allotment will be in demat form only, ensure that the depository account is active, the correct DP ID, Client ID, the PAN, and UPI ID (for UPI Bidders bidding through UPI mechanism) and PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, UPI ID (for ASBA Bidders bidding through UPI mechanism) and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated

- Intermediary, as applicable, matches with the name, DP ID, Client ID, UPI ID (for UPI Bidders bidding through UPI mechanism) and PAN available in the Depository database;
22. In case of QIBs and NIBs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>);
  23. The ASBA Bidders shall use only their own bank account or only their own bank account linked UPI ID for the purposes of making Application in the Offer, which is UPI 2.0 certified by NPCI;
  24. The ASBA bidders shall ensure that bids above Rs. 5,00,000, are uploaded only by the SCSBs;
  25. Bidders (except UPI Bidders Bidding through the UPI Mechanism) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of UPI Bidders, once the Sponsor Bank issues the UPI Mandate Request, the UPI Bidders would be required to proceed to authorize the blocking of funds by confirming or accepting the UPI Mandate Request to authorize the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;
  26. UPI Bidders bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the first Bidder (in case of joint account) in the Bid cum Application Form;
  27. Ensure that when applying in the Offer using the UPI Mechanism, 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 app and the UPI handle being used for making the application is also appearing in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;
  28. UPI Bidders who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which UPI Bidders should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorize blocking of funds equivalent to the revised Bid Amount in the UPI Bidder's ASBA Account;
  29. Anchor Investors should submit the Anchor Investor Application Forms to the BRLM;
  30. FPIs making MIM Bids using 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;
  31. Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs;
  32. UPI Bidders Bidding through the UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her/its UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a UPI Bidder may be deemed to have verified the attachment containing the application details of the UPI Bidder in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form;
  33. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 5:00 p.m. of the Bid/ Offer Closing Date;
  34. Bids by Eligible NRIs, HUFs and any individuals, corporate bodies and family offices who are FPIs and registered with SEBI for a Bid Amount of less than Rs. 200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding Rs. 200,000 would be considered under the Non-Institutional Category for allocation in the Offer;

35. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or the Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorize 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; and
36. Ensure that the Demographic Details are updated, true and correct in all respects

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 submit a Bid using UPI ID, if you are not an UPI Bidder;
3. Do not Bid/revise the Bid Amount to less than the Floor Price or higher than the Cap Price;
4. Do not Bid for a Bid Amount exceeding Rs. 200,000 (for Bids by Retail Individual Bidders);
5. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
6. Do not pay the Bid Amount in cheques, demand drafts, cash, money order, postal order or by stock invest;
7. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
8. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Bank;
9. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
10. Do not submit the Bid for an amount more than funds available in your ASBA account;
11. Do not 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;
12. Do not submit your Bid after 3.00 p.m. on the Bid/Offer Closing Date;
13. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;
14. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid / Offer Closing Date;
15. Do not Bid for Equity Shares in excess of what is specified for each category;
16. In case of ASBA Bidders (other than 3-in-1 Bids), Syndicate Members shall ensure that they do not upload any bids above Rs. 5,00,000;
17. In case of ASBA Bidders and UPI Bidders using UPI mechanism, do not submit more than one Bid cum Application Form per ASBA Account or UPI ID, respectively;
18. Do not make the Bid cum Application Form using third party bank account or using third party linked bank account UPI ID;
19. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a color prescribed for another category of Bidder;
20. 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;



21. 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);
22. Do not fill up the Bid cum Application Form such that the number of Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations, or under the terms of this Prospectus;
23. Do not submit the General Index Register (GIR) number instead of the PAN;
24. Do not submit incorrect details of the DP ID, Client ID, the 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;
25. Do not submit the ASBA Forms to any Designated Intermediary that is not authorized to collect the relevant ASBA Forms or to our Bank;
26. Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centres. If you are UPI Bidder and are using UPI mechanism, do not submit the ASBA Form directly with SCSBs;
27. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA account;
28. Anchor Investors should not bid through the ASBA process;
29. Anchor Investors should submit Anchor Investor Application Form only to the BRLM;
30. Do not Bid on a Bid cum Application Form that does not have the stamp of a Designated Intermediary;
31. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
32. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism;
33. UPI Bidders 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;
34. Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders Bidding using the UPI Mechanism;
35. Do not Bid if you are an OCB.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **Instructions for completing the bid form**

The Bid should be submitted on the prescribed Bid cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid cum Application Form. Bids not so made are liable to be rejected. Bids made using a third party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker (broker) network of Stock Exchange, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the website of NSE i.e. [www.nseindia.com](http://www.nseindia.com). With a view to broad base the reach of Investors by substantial), enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect front January 01, 2016. The List of RTA

and DPs centres for collecting the application shall be disclosed is available on the website of NSE i.e. [www.nseindia.com](http://www.nseindia.com).

For details of instruction in relation to the Bid cum Application Form, Bidders may refer to the relevant section of GID.

#### **Bidders' Depository Account and Bank Details**

Please note that, providing bank account details, PAN Nos, UPI ID (if applicable), Client ID and DP ID in the space provided in the Bid cum Application form is mandatory and Bids that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidder, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

#### **Submission of Bid cum Application Form**

All Bid cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid cum Application form, in physical or electronic mode, respectively.

#### **Joint Bids in the case of Individuals**

Bids may be made in single or joint names (not more than three). In the case of joint bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

#### **Multiple Bids**

Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid\ cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

#### **Permanent Account Number or PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ("PAN") to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

**Our Company/ Registrar to the Issue/ Book Running Lead Manager can, however, accept the Application(s) in which PAN is wrongly entered into by ASBA SCSB's in the ASBA system, without any fault on the part of Applicant.**

### **Right to Reject Applications**

In case of QIB Applicants, the Company in consultation with the Book Running Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

### **Grounds for technical rejections**

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, among other things, on the following grounds, which have been detailed at various places in the General Information Document:

- (a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- (b) Bids/Applications of Bidders (other than Anchor Investors) accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Bidders' ASBA Account;
- (c) Bids/Applications by OCBs;
- (d) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- (e) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form/Application Form;
- (f) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- (g) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- (h) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;
- (i) ASBA Account number or UPI ID not mentioned or incorrectly mentioned in the Bid cum Application Form/Application Form;
- (j) In case of Bids by RIIs (applying through the UPI mechanism) through a UPI handle not covered in the prescribed list of SEBI.
- (k) In case of Bids by RIIs (applying through the UPI mechanism) using a bank account of an SCSB or bank which is not covered in the prescribed list of SEBI.

- (l) PAN not mentioned in the Bid cum Application Form/Application Form except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- (m) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- (n) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- (o) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;
- (p) Bids/Applications at Cut-off Price by NIIs and QIBs;
- (q) The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- (r) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- (s) Submission of Bid cum Application Forms/Application Form using third party UPI ID or ASBA Bank Account;
- (t) Submission of more than one Bid cum Application Form per UPI ID by RIIs bidding through Designated Intermediaries other than SCSBs (except for RIIs applying as Retail Individual Shareholders also);
- (u) Submission of more than one Bid cum Application Form per ASBA Account by Bidders bidding through Designated Intermediaries (except in case of joint account holders);
- (v) In case of joint Bids, submission of Bid cum Application Forms/Application Form using second or third party's UPI ID or ASBA Bank Account;
- (w) Bids/Applications for number of Equity Shares which are not in multiples of Equity Shares as specified in the RHP;
- (x) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- (y) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/Offer Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;
- (z) Bank account mentioned in the Bid cum Application Form (for Bidders applying through the non-UPI mechanism) may not be an account maintained by SCSB. Inadequate funds in the ASBA Account to block the Bid/Application Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid/Application Amount in the ASBA Account;
- (aa) In case of Bids by RIIs (applying through the UPI mechanism), the UPI ID mentioned in the Bid cum Application Form is linked to a third party bank account;
- (bb) In case of Bids by RIIs (applying through the UPI mechanism), the UPI ID is not mentioned in the Bid cum Application Form;
- (cc) In case of Anchor Investors, Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Anchor Escrow Bank;
- (dd) Where no confirmation is received from SCSB or the Sponsor Bank, as applicable, for blocking of funds;
- (ee) Bids/Applications by QIB and NII Bidders (other than Anchor Investors) not submitted through ASBA process;
- (ff) Bid cum Application Form submitted to Designated Intermediaries at locations other than the Bidding Centers or to the Anchor Escrow Bank (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Offer;
- (gg) Bid cum Application Form submitted physically by RIIs bidding through the non-UPI mechanism to Designated Intermediaries other than SCSBs;
- (hh) Bids/Applications not uploaded on the terminals of the Stock Exchanges;

- (ii) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.
- (jj) The UPI Mandate is not approved by Retail Individual Investor; and
- (kk) The original Bid/Application is made using the UPI mechanism and revision(s) to the Bid/Application is made using ASBA either physically or online through the SCSB, and vice-versa.
- (ll) Bidders are required to enter either the ASBA Bank account details or the UPI ID in the Bid cum Application Form. In case the Bidder doesn't provide any of the ASBA Bank account details or the UPI ID then the application would be rejected. For application submitted to Designated Intermediaries (other than SCSBs), Bidder providing both the ASBA Bank account details as well as the UPI ID, the UPI ID will be considered for processing of the application.
- (mm) RIIs shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount is available for blocking, has been notified as Issuer Banks for UPI. A list of such banks is available on SEBI website – [www.sebi.gov.in](http://www.sebi.gov.in): Home » Intermediaries/Market Infrastructure Institutions » Recognised Intermediaries » Self-Certified Syndicate Banks eligible as Issuer Banks for UPI
- (nn) In case of revision of Bids by RII Bidders, if UPI Mandate Request for the revised Bid is not approved, the Application is liable to be rejected.

### **Equity Shares in Dematerialized Form with NSDL or CDSL**

To enable all shareholders of our Company to have their shareholding in electronic form, the Company has entered into the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Agreement dated November 30, 2023 between NSDL, the Company and the Registrar to the Issue;
  - b) Agreement dated December 09, 2022 between CDSL, the Company and the Registrar to the Issue;
- The Company's equity shares bear an ISIN INE00AB01019.

### **Attention Investors**

In case of any Pre-Issue or Post-Issue related problems regarding demat credit/refund orders/unblocking etc. the Investors can contact the Compliance Officer of our Company.

### **Impersonation**

*Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 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 of Companies Act, 2013 and shall be treated as Fraud."*

### **Allotment Procedure and Basis of Allotment**

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to RHP. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis.

### **Basis of Allotment**

**a. For Retail Individual Bidders**

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

**b. For Non-Institutional Bidders**

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Issue size less Allotment to QIBs and Retail shall be available for Allotment to Non- Institutional Bidders who have Bid in the Offer at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

**c. For QIBs**

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

- a) In the first instance allocation to Mutual Funds for 5% of the QIB Portion shall be determined as follows:
  - In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for 5% of the QIB Portion.

- In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
- Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

b) In the second instance Allotment to all QIBs shall be determined as follows:

- In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for 95% of the QIB Portion.
- Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.
- Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

**d. Allotment to Anchor Investor (If Applicable)**

a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the BRLM, subject to compliance with the following requirements:

- i) not more than 60% of the QIB Portion will be allocated to Anchor Investors;
- ii) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
- iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:
  - a maximum number of 2 (two) Anchor Investors for allocation up to Rs. 2 Crores;
  - a minimum number of 2 (two) Anchor Investors and maximum number of 15 (fifteen) Anchor Investors for allocation of more than Rs. 2 Crores and up to Rs. 25 Crores subject to minimum allotment of Rs. 1 Crores per such Anchor Investor;
  - and in case of allocation above Rs. 25 Crores; a minimum of 5 (five) such investors and a maximum of 15 (fifteen) such investors for allocation up to Rs. 25 Crores and an additional 10 (ten) such investors for every additional Rs. 25 Crores or part thereof, shall be permitted, subject to a minimum allotment of Rs. 1 Crore per such investor.

b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of

the Issuer, in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

**c) In the event that the Offer Price is higher than the Anchor Investor Allocation Price:**

Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors

**d) In the event the Offer Price is lower than the Anchor Investor Allocation Price:**

Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

**e. Basis of Allotment for QIBs (other than Anchor Investors) and NIIs in case of Over Subscribed Offer:**

In the event of the Offer being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the NSE SME (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).
- b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - Each successful Bidder shall be allotted [●] equity shares; and
  - The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●]



Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Offer specified under the Capital Structure mentioned in this Prospectus.

Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

For more information, please read the General Information Document.

**Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The Executive Director / Managing Director of NSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI ICDR Regulations.

**Minimum Number of Allottees**

The Issuer may ensure that the number of proposed Allottees to whom Equity Shares may be allotted shall not be less than 50 (Fifty), failing which the entire application monies may be refunded forthwith.

**Disposal of Application and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within one\* working days, of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at NSE SME where the Equity Shares are proposed to be listed are taken within 3\* (three) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI ICDR Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 3\* (three) days of the Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4\* (four) working days of the Issue Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI ICDR Regulations, the Companies Act, 2013 and applicable law.

*\*As per timelines prescribed under SEBI Circular No. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023.*

Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

**Completion of Formalities for Listing and Commencement of Trading**

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days (or such reduced time as may be applicable in line with SEBI Circular No. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023) of the Issue Closing Date. The Registrar to the Issue may give instruction for credit to Equity Shares the beneficiary account with DPs, and dispatch the allotment Advise within 6

Working Days (or such reduced time as may be applicable in line with SEBI Circular No. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023) of the Issue Closing Date.

## **Interest and Refunds**

### **Grounds for Refund**

#### **Non Receipt of Listing Permission**

An Issuer makes an Application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought shall be disclosed in Prospectus. The designated Stock Exchange shall be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the permission to deal in and official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all money received from the Applicants/Bidders in pursuance of the RHP/Prospectus.

In the event that the listing of the Equity Shares does not occur in the manner described in the RHP/Prospectus, then 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, 2013, the SEBI ICDR Regulations and applicable law for the delayed period.

### **Mode of Refunds**

- a) In case of ASBA Applicants: Within such timelines as may be prescribed by SEBI, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application, for any excess amount blocked on Application, for any ASBA application withdrawn, rejected or unsuccessful or in the event of withdrawal or failure of the Offer
- b) In the case of Applications from Eligible NRIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/ or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Company may not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.
- c) In case of Other Investors: Within such timelines as may be prescribed by SEBI, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Investors. In case of Investors, the Registrar to the Offer may obtain from the depositories, the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Investors in their Investor Application Forms for refunds. Accordingly, Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, may be liable to compensate the Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

### **Interest in Case of Delay in Allotment or Refund**

Our Company shall allot securities offered to the public within the period prescribed by SEBI. Our Company further agrees that it shall pay interest at the rate of 15% per annum if the allotment letters or refund orders/ unblocking instructions have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within three days (or such reduced time as may be prescribed by SEBI) in terms of SEBI Circular No. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023) from the date of the closure of the issue.

#### **Undertakings by our Company**

We undertake as follows:

- 1) That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within the period prescribed by SEBI;
- 3) That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
- 4) Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within specified period of closure of the Issue, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 5) That no further Issue of Equity Shares shall be made till the Equity Shares issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.;
- 6) That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
- 7) That if our Company do not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 8) If our Company withdraws the Issue at any stage, including after the Issue Closing Date, our Company shall be required to file a fresh Prospectus with the Stock exchange/ROC/SEBI, as may be applicable;

#### **WITHDRAWAL OF THE ISSUE**

Our Company in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

Our Company in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue for any reason at any time after the Bid/ Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue Further, the Stock Exchanges shall be informed promptly in this regard by our Company and the BRLM. Also, BRLM through the Registrar to the Issue, shall notify the SCSBs and the Sponsor Banks to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification.

In the event of withdrawal of the Issue and subsequently, plans of a fresh Issue by our Company, a fresh Draft Red Herring Prospectus will be submitted again to Stock Exchange.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within Three Working Days or reduced period of Three Working Days, as may be applicable, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company in consultation with the Book Running Lead Managers withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with a public issue of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with the Stock Exchange.

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.

#### **Utilization of the Issue Proceeds**

The Board of Directors of our Company certifies that:

- (i) all monies received out of the Issue shall be transferred to a separate bank account other than the bank account referred to in referred to in the Companies Act,2013;
- (ii) Details of all monies utilised out of the issue shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilised under an appropriate separate head in the balance sheet of the issuer indicating the purpose for which such monies had been utilised; and
- (iii) details of all unutilised monies out of the Issue shall be disclosed under an appropriate separate head in the balance sheet of the Issuer indicating the form in which such unutilised 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. Foreign investment is permitted (except in the prohibited sectors) in Indian companies, either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. The Government of India makes policy announcements on FDI through press notes and press releases. The regulatory framework, over a period of time, thus, consists of acts, regulations, press notes, press releases, and clarifications among other amendments. The consolidated FDI policy circular of 2020 dated October 15, 2020 issued by the DPIIT (formerly Department of Industrial Policy & Promotion) (“FDI Circular”) consolidates the policy framework which was in force as on October 15, 2020. Further, the FDI Circular consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DPIIT. The FDI Circular will be valid until the DPIIT issues an updated circular and shall be subject to FEMA Non-debt Instruments Rules.

As per the FDI Circular read with Press Note, 100% foreign direct investment is permitted under the automatic route for wholesale trading. In terms of Press Note 3 of 2020, dated April 17, 2020 (“Press Note”), issued by the DPIIT, the FDI Circular has been amended to state that all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India. 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 Non-debt Instruments Rules.

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 Circular and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Circular; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, see “Issue Procedure – Bids by Eligible NRIs” and “Issue Procedure – Bids by FPIs” beginning on page 295.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer. Each Bidder should seek independent legal advice about its 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 in writing about such approval along with a copy thereof within the Bid/Offer Period.

**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 Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction**

not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”) pursuant to Section 4(a) of the U.S. Securities Act, and (ii) outside the United States, in offshore transactions, as defined in and in compliance with Regulation S and the applicable laws of the jurisdictions where those offers and sales occur.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs 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 XIII –MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF COMPANY**

## **ARTICLES OF ASSOCIATION**

**OF**

**ACCRETION PHARMACEUTICALS LIMITED**

**Table applicable to company as notified under schedule I of the Companies Act, 2013 (F, G, H)**

**Table Applicable: F - A COMPANY LIMITED BY SHARES**

### **INTERPRETATION**

1. ACCRETION PHARMACEUTICALS LIMITED A Public Company Under Part I company (Chapter XXI) of the Companies Act 2013

### **COMPANY LIABLE FOR OBLIGATIONS OF MS. ACCRETION PHARMACEUTICALS.**

2. The Company shall undertake pay observe satisfy perform and fulfill the agreements and liabilities of the firm MS. ACCRETION PHARMACEUTICALS whether the same be entered into or incurred in the separate or joint names of one or more of the parties mentioned hereinabove or in the name of the firm in relation to the said business land building and assets brought in as aforesaid and shall indemnify them respectively and their respective executors administrators estates and effects from and against all actions proceedings damages claims and demands in respect thereof.

### **BUSINESS DEEMED TO BE CARRIED ONCOMPANYS BEHALF**

3. The business in respect of said assets including intangible assets shall be deemed to have been carried on as from the date of these Articles on the Company behalf and accordingly the parties mentioned hereinabove shall be allowed all payments made and expenses incurred and shall account for all monies and other benefits received by them respectively in relation to such business as from that day.

### **ASSETS TO VEST IN THE COMPANYONITS REGISTRATION**

4. The assets of MS. ACCRETION PHARMACEUTICALS shall vest in the Company on its registration as limited company and be free from all claims by the parties mentioned herein above and pending the registration of the Company the parties mentioned. Here in above shall hold the assets in trust for the Company. The intangible assets not mentioned in the said annexure shall also belong to and become the property of the Company.

### **SHARES TOWHICH PARTIESMENTIONEDHEREINABOVE ARE ENTITLED TO BEDEEMED TO BEFULLY PAID UP BY MEANS OF THE VALUEOF ASSETS.**

5. The assets of MS. ACCRETION PHARMACEUTICALS shall on incorporation of the Company belong to and become the property of the Company and having regard to the obligations imposed on the Company by these Articles shall be taken at their net book value and the shares be allotted to which the parties mentioned hereinabove are to be entitled as aforesaid and specified in Clause V of the Memorandum of Association. In these regulations Public Company means accompany which(a) is not a private company and(b)has a minimum paid-up share capital as may be prescribed Provided that a company which is a subsidiary of a company not being a private company shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles

### **INTERPRETATION**

5A In these regulations, the following words, and expressions, unless repugnant to the subject, shall mean the following:

- a) **“Act”** means the Companies Act, 2013 and other statutory modifications or re-enactments thereof for the time being in force, including wherever applicable the rules framed thereunder;
- b) **“Applicable Law”** means laws of India, as applicable including, inter alia, all applicable statutes, enactments, acts of legislature, ordinances, rules, by-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority, tribunal, Board or court;
- c) **“Articles”** means the Articles of Association of the Company;
- d) **“Board of Directors”** or **“Board”**, in relation to a Company, means the collective body of the Directors of the Company;
- e) **“Board Meeting”** means a meeting of the Directors duly called and constituted or as the case may be, the Directors assembled at a Board, or the requisite number of Directors entitled to pass a circular resolution in accordance with these Articles;
- f) **“Beneficial owner”** means a person or persons whose name(s) is/are recorded in the Register maintained by a Depository under the Depositories Act, 1996;
- g) **“Company”** means **Xchanging Solutions Limited**;
- h) **“Company Secretary”** or **“Secretary”** means a Company Secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 who is appointed by a Company to perform the functions of a Company Secretary under this Act;
- i) **“Debenture”** includes debenture stock, bonds or any other instrument of a Company evidencing a debt, whether constituting a charge on the assets of the Company or not;
- j) **“Dividend”** includes any interim dividend;
- k) **“Depository”** means a Company formed and registered under the Act and which has been granted a certificate of registration by SEBI under the Securities & Exchange Board of India Act, 1992;
- l) **“The Directors”** means the Directors appointed to the Board of the Company;
- m) **“Document”** includes summons, notice, requisition, order, declaration, form and register, whether issued sent or kept in pursuance of this Act or under any other law for the time being in force or otherwise, maintained on proper or in electronic form;
- n) **“Extra-Ordinary General Meeting”** means an Extra-Ordinary General meeting of the members duly called and constituted and any adjourned holding thereof;
- o) **“Meeting”** or **“General Meeting”** means a meeting of the Members. **“Annual General Meeting”** means a General Meeting of the Members held in accordance with the provisions of Section 96 of the Act
- p) **“Member”** means the member of the Company as defined in sub-section (55) of section 2 of the Companies Act 2013 or any amendment thereof;
- q) **“Month”** shall mean the calendar month;
- r) **“Office”** means the Registered Office for the time being of the Company;
- s) **“Proxy”** includes Attorney duly constituted under a power of Attorney;
- t) **“Registrar”** means the Jurisdictional Registrar of Companies in which the registered office of the Company is, for the time being, situated;



- u) **“Remuneration”** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961;
  - v) **“Rules”** means the applicable rules for the time being in force as prescribed under relevant sections of the Act;
  - w) **“Seal”** means the Common Seal of the Company;
  - x) **“Securities”** means the securities as defined in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956;
  - y) **“Shares”** means the shares in the share capital of a Company and includes stock;
  - z) **“Special Resolution”** shall have the meaning assigned thereto by Section 114 of the Act;
  - aa) **“Sweat Equity Shares”** means such equity shares as are issued by a Company to its Directors or employees at a discount or for consideration, other than cash, for providing their know-how or making available rights in the nature of intellectual property rights or value additions, by whatever name called;
  - bb) **“Tribunal”** means the National Company Law Tribunal constituted under section 408;
  - cc) **“Voting Right”** means right of a member of a Company to vote in any meeting of the Company or by means of postal ballot;
  - dd) Words importing **“persons”** shall, where the context requires, include bodies corporate and companies as well as individuals;
  - ee) **“Whole-time Director”** includes Director in the whole time employment of the Company;
  - ff) **“Working Day”** means all days except national holidays;
  - gg) **“Year”** means the **“Financial Year”** as provided under sub section (41) of Section 2 of the Act;
  - hh) Words imputing the masculine gender shall also include feminine gender;
  - ii) Words imputing the singular number includes plural where the context so requires;
  - jj) **‘in writing’** and **‘written’** includes printing, lithography and any other mode of representing or reproducing words in a visible form;
  - kk) **“Video Conferencing or Other Audio-Visual”** means means audio- visual electronic communication facility employed which enables all the persons participating in a meeting to communicate concurrently with each other without an intermediary and to participate effectively in the meeting; and
  - ll) **‘SEBI’** means Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992.
- 5B Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company.
- 5C Notwithstanding anything contained in these Articles, such provisions and regulations as may be prescribed by the legislature, as compulsory, by later enactments relating to Companies, shall have priority of observance under such circumstances.

## **SHARE CAPITAL AND VARIATION OF RIGHTS**

6. Share Capital of the Company shall be as per Clause V of the Memorandum of Association of the Company. If the share capital of the Company consists of Preference Shares the company shall have right to issue and redeem the preference shares in accordance with the provisions of the Act. Subject to the provisions of the Act and these Articles the shares in the capital of the company shall be under the control of the Directors who may issue allot or otherwise dispose of the same or any of them to such persons in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time-to-time think fit.
7. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided one certificate for all his shares without payment of any charges or several certificates each for one or more of his shares upon payment of twenty rupees for each certificate after the first. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid - up thereon. 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.
8. If any share certificate be worn out defaced mutilated or torn or if there be no further space on the back for endorsement of transfer then upon production and surrender thereof to the company a new certificate may be issued in lieu thereof and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate. The provisions of Articles(2) and(3) shall mutatis mutandis apply to debentures of the company.
9. Except as required by law no person shall be recognised by the company as holding any share upon any trust and the company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable contingent future or partial interest in any share or any interest in any fractional part of a share or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
10. The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40 provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under subsection (6) of section 40. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
11. If at any time the share capital is divided into different classes of shares the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may subject to the provisions of section 48 and whether or not the company is being wound up be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting the provisions of these regulations relating to general meetings shall mutatis mutandis apply but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
12. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise expressly provided by the terms of issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.
13. Subject to the provisions of section 55 any preference shares may with the sanction of an ordinary resolution be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may by special resolution determine.

## **LIEN**

14. The company shall have a first and paramount lien on every share (not being a fully paid share) for all monies (whether presently payable or not) called or payable at a fixed time in respect of that share and on all shares (not being fully paid shares) standing registered in the name of a single person for all monies presently payable by him or his estate to the company Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause. The company's lien if any on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
15. The company may sell in such manner as the Board thinks fit any shares on which the company has a lien Provided that no sale shall be made unless a sum in respect of which the lien exists is presently payable or b until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
16. To give effect to any such sale the Board may authorise 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.
17. The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue if any shall subject to a like lien for sums not presently payable as existed upon the shares before the sale be paid to the person entitled to the shares at the date of the sale.

## **CALLS ON SHARES**

18. The Board may from time to time make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call. Each member shall subject to receiving at least fourteen days' notice specifying the time or times and place of payment pay to the company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed at the discretion of the Board.
19. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.
20. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
21. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate if any as the Board may determine. The Board shall be at liberty to waive payment of any such interest wholly or in Part.
22. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date whether on account of the nominal value of the share or by way of premium shall for the purposes of these regulations be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. In case of non-payment of such sum all the relevant provisions of these

regulations as to payment of interest and expenses forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

23. The Board –
- a. may if it thinks fit receive from any member willing to advance the same all or any part of the monies uncalled and unpaid upon any shares held by him and
  - b. upon all or any of the monies so advanced may (until the same would but for such advance become presently payable) pay interest at such rate not exceeding unless the company in general meeting shall otherwise direct twelve per cent per annum as may be agreed upon between the Board and the member paying the sum in advance.

#### **TRANSFER OF SHARES**

24. The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
25. The Board may subject to the right of appeal conferred by section 58 decline to register the transfer of a share not being a fully paid share to a person of whom they do not approve or any transfer of shares on which the company has a lien.
26. The Board may decline to recognise any instrument of transfer unless
- a. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56
  - b. the instrument of transfer is accompanied by the certificate of the shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer and
  - c. the instrument of transfer is in respect of only one class of shares.
27. On giving not less than seven days previous notice in accordance with section 91 and rules made thereunder the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

#### **TRANSMISSION OF SHARES**

28. On the death of a member the survivor or survivors where the member was a joint holder and his nominee or nominees or legal representatives where he was a sole holder shall be the only persons recognised by the company as having any title to his interest in the shares Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
29. Any person becoming entitled to a share in consequence of the death or insolvency of a member may upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided elect either to be registered himself as holder of the share or to make such transfer of the share as the deceased or insolvent member could have made. The Board shall in either case have the same right to decline or suspend registration as it would have had if the deceased or insolvent member had transferred the share before his death or insolvency.
30. If the person so becoming entitled shall elect to be registered as holder of the share himself he shall deliver or send to the company a notice in writing signed by him stating that he so elects. If the person aforesaid shall elect to transfer the share he shall testify his election by executing a transfer of the share.

All the limitations restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

31. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share except that he shall not before being registered as a member in respect of the share be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company Provided that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety days the Board may thereafter withhold payment of all dividends bonuses or other monies payable in respect of the share until the requirements of the notice have been complied with.
32. In case of a One Person Company on the death of the sole member the person nominated by such member shall be the person recognised by the company as having title to all the shares of the member the nominee on becoming entitled to such shares in case of the members death shall be informed of such event by the Board of the company such nominee shall be entitled to the same dividends and other rights and liabilities to which such sole member of the company was entitled or liable on becoming member such nominee shall nominate any other person with the prior written consent of such person who shall in the event of the death of the member become the member of the company.

### **32A. DEMATERIALISATION OF SECURITIES**

- a. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing Securities, rematerialize its Securities held in the Depositories 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, the Company may exercise an option to issue, dematerialize, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act.
- c. If a Person opts to hold his Securities with a Depository, 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 Shareholder 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, subject to Article 8.

**g. Register and Index of Beneficial Owners:**

The Company shall cause to be kept a register and index of members with details of shares and debentures held in materialized and dematerialized forms in any media as may be permitted by Law including any form of electronic media.

The register and index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a register resident in that state or country.

**h. Cancellation of Certificates upon surrender by Person:**

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the Depository as the registered owner in respect of the said Securities and shall also inform the Depository accordingly.

**i. Service of Documents:**

Notwithstanding anything contained in the Act or these Articles to the contrary, where Securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

**j. 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 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.

**k. 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.

**l. Certificate Number and other details of Securities in Depository:**

Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.

**m. 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.

**n. Depository to furnish information:**

Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by Law and the Company in that behalf.

**o. Option to opt out in respect of any such Security:**

Subject to compliance with applicable Law, if a Beneficial Owner seeks to opt out of a Depository in respect of any Security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfilment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.

**p. Overriding effect of this Article:**

Provisions of this Article will have full effect and force notwithstanding anything to the contrary or inconsistent contained in any other Articles.

## **FORFEITURE OF SHARES**

33. If a member fails to pay any call or instalment of a call on the day appointed for payment thereof the Board may at any time thereafter during such time as any part of the call or instalment remains unpaid serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued.
34. The notice aforesaid shall name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made and state that in the event of non-payment on or before the day so named the shares in respect of which the call was made shall be liable to be forfeited.
35. If the requirements of any such notice as aforesaid are not complied with any share in respect of which the notice has been given may at any time thereafter before the payment required by the notice has been made be forfeited by a resolution of the Board to that effect.
36. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit. At any time before a sale or disposal as aforesaid the Board may cancel the forfeiture on such terms as it thinks fit.
37. 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.
38. A duly verified declaration in writing that the declarant is a director the manager or the secretary of the company and that a share in the company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share The company may receive the consideration if any given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of The transferee shall thereupon be registered as the holder of the share and The transferee shall not be bound to see to the application of the purchase money if any nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture sale or disposal of the share.
39. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a share becomes payable at a fixed time whether on account of the nominal value of the share or by way of premium as if the same had been payable by virtue of a call duly made and notified.

## **ALTERATION OF CAPITAL**

40. 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.
41. Subject to the provisions of section 61 the company may by ordinary resolution consolidate and divide all or any of its share capital into shares of larger amount than its existing shares convert all or any of its fully paid-up shares into stock and reconvert that stock into fully paid-up shares of any denomination sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person.

42. Where shares are converted into stock the holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulations under which the shares from which the stock arose might before the conversion have been transferred or as near thereto as circumstances admit Provided that the Board may from time to time fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose. The holders of stock shall according to the amount of stock held by them have the same rights privileges and advantages as regards dividends voting at meetings of the company and other matters as if they held the shares from which the stock arose but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not if existing in shares have conferred that privilege or advantage. such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words share and shareholder in those regulations shall include stock and stock-holder respectively.
43. The company may by special resolution reduce in any manner and with and subject to any incident authorised and consent required by law its share capital any capital redemption reserve account or any share premium account.

#### **CAPITALISATION OF PROFITS**

44. The company in general meeting may upon the recommendation of the Board resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution and that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions. The sum aforesaid shall not be paid in cash but shall be applied subject to the provision contained in clause (iii) either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively paying up in full unissued shares of the company to be allotted and distributed credited as fully paid-up to and amongst such members in the proportions aforesaid partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B) A securities premium account and a capital redemption reserve account may for the purposes of this regulation be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
45. Whenever such a resolution as aforesaid shall have been passed the Board shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid shares if any and generally do all acts and things required to give effect thereto. The Board shall have power to make such provisions by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit for the case of shares becoming distributable in fractions and to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the company providing for the allotment to them respectively credited as fully paid-up of any further shares to which they may be entitled upon such capitalisation or as the case may require for the payment by the company on their behalf by the application thereto of their respective proportions of profits resolved to be capitalised of the amount or any part of the amounts remaining unpaid on their existing shares Any agreement made under such authority shall be effective and binding on such members.

#### **BUY-BACK OF SHARES**

46. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force the company may purchase its own shares or other specified securities.



## **GENERAL MEETINGS**

47. All general meetings other than annual general meeting shall be called extraordinary general meeting.
48. The Board may whenever it thinks fit call an extraordinary general meeting. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India any director or any two members of the company may call an extraordinary general meeting in the same manner as nearly as possible as that in which such a meeting may be called by the Board.

## **PROCEEDINGS AT GENERAL MEETINGS**

49. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as otherwise provided herein the quorum for the general meetings shall be as provided in section 103.
50. The chairperson if any of the Board shall preside as Chairperson at every general meeting of the company.
51. If there is no such Chairperson or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairperson of the meeting the directors present shall elect one of their members to be Chairperson of the meeting.
52. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting the members present shall choose one of their members to be Chairperson of the meeting.

## **ADJOURNMENT OF MEETING**

53. The Chairperson may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid and as provided in section 103 of the Act it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

## **VOTING RIGHTS**

54. Subject to any rights or restrictions for the time being attached to any class or classes of shares on a show of hands every member present in person shall have one vote and on a poll the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
55. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
56. In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority shall be determined by the order in which the names stand in the register of members.
57. A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy may vote whether on a show of hands or on a poll by his committee or other legal guardian and any such committee or guardian may on a poll vote by proxy.

58. Any business other than that upon which a poll has been demanded maybe proceeded with pending the taking of the poll.
59. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid
60. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairperson of the meeting whose decision shall be final and conclusive.

#### **PROXY**

61. Any member of a company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as a proxy to attend and vote at the meeting instead of himself and that a proxy may be a member of the Company. The instrument appointing a proxy and the power-of-attorney or other authority if any under which it is signed or a notarised copy of that power or authority shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in the case of a poll not less than 24 hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid.
62. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
63. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the shares in respect of which the proxy is given Provided that no intimation in writing of such death insanity revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

#### **BOARD OF DIRECTORS**

64. The Company shall have minimum three directors and following shall be the First Directors of the Company:
  - a. Mayurbhai Popatlal Sojitra
  - b. Vivek Ashok Kumar Patel
  - c. Harshad Nanubhai Rathod
  - d. Hardik Mukundbhai Prajapati
65. The remuneration of the directors shall in so far as it consists of a monthly payment be deemed to accrue from day-to-day. In addition to the remuneration payable to them in pursuance of the Act the directors may be paid all travelling hotel and other expenses properly incurred by them in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company or in connection with the business of the Company.
66. The Board may pay all expenses incurred in getting up and registering the company.
67. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
68. All cheques promissory notes drafts hundis bills of exchange and other negotiable instruments and all receipts for monies paid to the company shall be signed drawn accepted endorsed or otherwise executed

as the case may be by such person and in such manner as the Board shall from time to time by resolution determine

69. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
70. Subject to the provisions of section 149 the Board shall have power at any time and from time to time to appoint a person as an additional director provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles. Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

#### **PROCEEDINGS OF THE BOARD**

71. The Board of Directors may meet for the conduct of business adjourn and otherwise regulate its meetings as it thinks fit. A director may and the manager or secretary on the requisition of a director shall at any time summon a meeting of the Board.
72. Save as otherwise expressly provided in the Act questions arising at any meeting of the Board shall be decided by a majority of votes. In case of an equality of votes the Chairperson of the Board if any shall have a second or casting vote.
73. The continuing directors may act notwithstanding any vacancy in the Board but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum or of summoning a general meeting of the company but for no other purpose.
74. The Board may elect a chairperson of its meetings and determine the period for which he is to hold office. If no such Chairperson is elected or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting the directors present may choose one of their number to be Chairperson of the meeting.
75. The Board may subject to the provisions of the Act delegate any of its powers to committees consisting of such member or members of its body as it thinks fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Board.
76. A committee may elect a Chairperson of its meetings. If no such Chairperson is elected or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting the members present may choose one of their members to be Chairperson of the meeting.
77. A committee may meet and adjourn as it thinks fit. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present and in case of an equality of votes the Chairperson shall have a second or casting vote.
78. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid or that they or any of them were disqualified be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
79. Save as otherwise expressly provided in the Act a resolution in writing signed by all the members of the Board or of a committee thereof for the time being entitled to receive notice of a meeting of the Board or committee shall be valid and effective as if it had been passed at a meeting of the Board or committee duly convened and held.

## **CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

80. Subject to the provisions of the Act A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term at such remuneration and upon such conditions as it may think fit and any chief executive officer manager company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board A director may be appointed as chief executive officer manager company secretary or chief financial officer.
81. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer manager company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as or in place of chief executive officer manager company secretary or chief financial officer.

## **THE SEAL**

82. No Common Seal is required as per the provisions of the Companies Act 2013

## **DIVIDENDS AND RESERVE**

83. The company in general meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.
84. 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.
85. 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. The Board may also carry forward any profits which it may consider necessary not to divide without setting them aside as a reserve
86. 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. 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. 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.
87. 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.
88. 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. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

89. 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.
90. 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.
91. No dividend shall bear interest against the company.

#### **ACCOUNTS**

92. 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. No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

#### **WINDING UP**

93. Subject to the provisions of Chapter XX of the Act and rules made thereunder 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. 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. The liquidator may with the like sanction vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### **INDEMNITY**

94. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

## SECTION XIV—OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

- A.** The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of the Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus will be delivered to the ROC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at 29 Xcelon Ind Park 1, B/h, Intas Pharmaceuticals, Vasna Chacharvadi, Ahmedabad, Sanand, Gujarat, India, 382213 from date of filing the Prospectus with ROC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.
- B. Material Contracts**
1. Issue Agreement dated September 11, 2024 between the Company and the Lead Manager.
  2. Registrar Agreement dated September 13, 2024 between the Company and the Registrar to the Issue.
  3. Underwriting Agreement dated [●] between the Company, the Lead Manager and Underwriters.
  4. Market Making Agreement dated [●] between the Company, Lead Manager and Market Maker.
  5. Bankers to the Issue Agreement dated [●] between the Company, the Lead Manager, Banker to the Issue/ Sponsor Bank and Registrar to the Issue.
  6. Tripartite agreement among the NSDL, the Company and the Registrar dated September 03, 2024 Tripartite agreement among the CDSL, the Company and the Registrar July 25, 2024.
- C. Material Documents**
1. Certified true copy of Certificate of Incorporation, the Memorandum of Association and Articles of Association of our Company, as amended.
  2. Resolutions of the Board of Directors dated July 25, 2024 in relation to the Issue and other related matters.
  3. Shareholders' resolution dated August 16, 2024 in relation to the Issue and other related matters.
  4. Consents of Directors, Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditors (Peer Review Auditor), the Lead Manager, Registrar to the Issue, and Legal Advisor to act in their respective capacities.
  5. Peer Review Auditors Report dated August 20, 2024 on Restated Financial Statements 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.

6. The Report dated August 20, 2024 from the Peer Reviewed Auditors of our Company, confirming the Statement of Possible Tax Benefits available to our Company and its Shareholders as disclosed in this Draft Red Herring Prospectus.
7. Certificate dated August 20, 2024 issued by M/s VSSB & ASSOCIATES, Statutory Auditors of the Company, certifying the KPIs as presented in this Draft Red Herring Prospectus.
8. Resolution passed by the Audit Committee of the Company in its meeting held on August 27,2024 for taking on record the KPIs as presented in this Draft Red Herring Prospectus.
9. Certificate dated August 28, 2024 issued by M/s VSSB & ASSOCIATES, Statutory Auditors of the Company certifying the Working Capital requirements of the Company.
10. Certificate dated August 20, 2024 issued by M/s VSSB & ASSOCIATES, Statutory Auditors of the Company, regarding the Loans proposed to be repaid from proceeds of the issue.
11. Copy of approval from NSE Emerge vide letter dated [●] to use the name of NSE in this offer document for listing of Equity Shares on Emerge Platform of NSE.
12. Due diligence certificate dated [●] from BRLM to the Issue addressed to SEBI.

## 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 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 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:** September 17, 2024

**Place:** Ahmedabad