

THIS IS A PUBLIC ANNOUNCEMENT FOR INFORMATION PURPOSES ONLY AND IS NOT A PROSPECTUS ANNOUNCEMENT AND DOES NOT CONSTITUTE AN INVITATION OR OFFER TO ACQUIRE, PURCHASE OR SUBSCRIBE TO SECURITIES, NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION DIRECTLY OR INDIRECTLY OUTSIDE INDIA. INITIAL PUBLIC OFFER OF EQUITY SHARES (AS DEFINED BELOW) ON THE MAIN BOARD OF THE STOCK EXCHANGES (DEFINED BELOW) IN COMPLIANCE WITH CHAPTER I OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED



AKUMS DRUGS AND PHARMACEUTICALS LIMITED



(Please scan this QR code to view the RHP)

Our Company was incorporated as a public company, limited by shares, under the Companies Act, 1956, as amended, in the name of 'Akums Drugs and Pharmaceuticals Limited', pursuant to a certificate of incorporation dated April 19, 2004 issued by the Registrar of Companies, Delhi and Haryana in New Delhi ("RoC"). Our Company received a certificate of commencement of business issued by the RoC dated May 13, 2004. For details of changes in the name and the registered office address of our Company, please see section titled "History and Certain Corporate Matters" on page 246 of the Red Herring Prospectus dated July 24, 2024 ("RHP").

Registered Office: 304, Mohan Plaza, LSC, Saranwali Vihar, Plot No. 110/034, India, Corporate Office: Akums House, Plot No. 131 to 133, Block C, Mangolpuri Industrial Area Phase-I, Delhi 110 083, India
Telephone: + 91 11 6904 1000; Contact person: Dharamvir Malik, Company Secretary and Compliance Officer, E-mail: cs@akums.net; Website: www.akums.in; Corporate Identity Number: U24239DL2004PLC125888

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

INITIAL PUBLIC OFFER OF UP TO [*] EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH ("EQUITY SHARES") OF AKUMS DRUGS AND PHARMACEUTICALS LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ [*] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [*] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ [*] MILLION COMPRISING A FRESH ISSUE OF UP TO [*] EQUITY SHARES AGGREGATING UP TO ₹ 6,800 MILLION BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 17,330,435 EQUITY SHARES AGGREGATING UP TO ₹ [*] MILLION ("OFFERED SHARES") BY THE SELLING SHAREHOLDERS, COMPRISING UP TO 1,512,000 EQUITY SHARES AGGREGATING UP TO ₹ [*] MILLION BY SANJEEV JAIN, UP TO 1,512,000 EQUITY SHARES AGGREGATING UP TO ₹ [*] MILLION BY SANDEEP JAIN (TOGETHER THE "PROMOTER SELLING SHAREHOLDERS") AND UP TO 14,306,435 EQUITY SHARES AGGREGATING UP TO ₹ [*] MILLION BY RUBY QC INVESTMENT HOLDINGS PTE. LTD. (THE "INVESTOR SELLING SHAREHOLDER") (THE PROMOTER SELLING SHAREHOLDERS AND THE INVESTOR SELLING SHAREHOLDER, COLLECTIVELY REFERRED TO AS THE "SELLING SHAREHOLDERS") ("OFFER FOR SALE", TOGETHER WITH THE FRESH ISSUE, THE "OFFER").

THIS OFFER INCLUDES A RESERVATION OF UP TO [*] EQUITY SHARES AGGREGATING UP TO ₹ 150.00 MILLION FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"), THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER WILL CONSTITUTE [*] AND [*] OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL, RESPECTIVELY.

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

DETAILS OF THE OFFER FOR SALE AND THE WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE

NAME OF THE SELLING SHAREHOLDER	TYPE	NUMBER OF EQUITY SHARES OFFERED	WEIGHTED AVERAGE COST OF ACQUISITION (IN ₹ PER EQUITY SHARE)*#
Sanjeev Jain	Promoter Selling Shareholder	Up to 1,512,000 Equity Shares of face value of ₹ 2 each aggregating up to ₹ [*] million	Negligible
Sandeep Jain	Promoter Selling Shareholder	Up to 1,512,000 Equity Shares of face value of ₹ 2 each aggregating up to ₹ [*] million	Negligible
Ruby QC Investment Holdings Pte. Ltd.	Investor Selling Shareholder	Up to 14,306,435 Equity Shares of face value of ₹ 2 each aggregating up to ₹ [*] million	231.64

*As certified by T.A.M.S. & CO LLP, Chartered Accountants by way of their certificate dated July 24, 2024.

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

We are a pharmaceutical contract development and manufacturing organization offering pharmaceutical products and services in India and overseas and also engaged in the sale of branded pharmaceutical formulations and manufacturing of active pharmaceutical ingredients.

The Offer is being made through the Book Building Process in accordance with Regulation 6(2) of the SEBI/ICDR Regulations.
QIB Portion: Not less than 75% of the Net Offer | Non-Institutional Portion: Not more than 15% of the Net Offer | Retail Portion: Not more than 10% of the Net Offer.
Employee Reservation Portion: Up to [*] Equity Shares of face value of ₹ 2 each aggregating up to ₹ 150 million.

PRICE BAND: ₹646 TO ₹679 PER EQUITY SHARE OF FACE VALUE OF ₹2 EACH.

THE FLOOR PRICE IS 323.00 TIMES THE FACE VALUE OF THE EQUITY SHARES AND THE CAP PRICE IS 339.50 TIMES THE FACE VALUE OF THE EQUITY SHARES.

SINCE BASIC AND DILUTED EPS FOR THE FINANCIAL YEAR 2024 ON RESTATED CONSOLIDATED FINANCIAL

INFORMATION OF THE COMPANY IS NEGATIVE, P/E RATIO WILL NOT BE ASCERTAINABLE.

BIDS CAN BE MADE FOR A MINIMUM OF 22 EQUITY SHARES AND IN MULTIPLES OF 22 EQUITY SHARES THEREAFTER.

A DISCOUNT OF ₹ 64 PER EQUITY SHARE IS BEING OFFERED TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION.

ASBA[#]

Simple, Safe, Smart way of Application!!!

*Applications Supported by Blocked Amount ("ASBA") is a better way of applying to Issues by simply blocking the fund in the bank account. For further details, check section on ASBA. Mandatory in public issues. No cheque will be accepted.

In accordance with the recommendation of the committee of Independent Directors of our Company, pursuant to their resolution dated July 24, 2024, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the "Basis for Offer Price" section of the RHP vis-à-vis the weighted average cost of acquisition of primary and secondary transaction(s) disclosed in the "Basis for Offer Price" section on page 138 of the RHP.

IN MAKING AN INVESTMENT DECISION, POTENTIAL INVESTORS MUST RELY ON THE INFORMATION INCLUDED IN THE RED HERRING PROSPECTUS AND THE TERMS OF THE OFFER, INCLUDING THE RISKS INVOLVED AND NOT RELY ON ANY OTHER EXTERNAL SOURCES OF INFORMATION ABOUT THE OFFER AVAILABLE IN ANY MANNER.

In relation to price band, potential investors should only refer to the price band advertisement for the Offer and should not rely on any media articles/ reports in relation to the valuation of the Company as these are not endorsed, published or confirmed either by the Company or by the BRLM.

RISK TO INVESTORS

(For details refer to section titled "Risk Factors" on page 28 of the RHP)

- Concentration of manufacturing units:** Our manufacturing units and research and development centres are concentrated in Haryana, Uttar Pradesh and we are exposed to risks originating from economic, regulatory, political and other changes in this region, including natural disasters, which could have an adverse effect on our business operations.
- Third party dependence for raw materials:** We rely on domestic and international third-party suppliers for the supply of raw materials and any delay, interruption or reduction in such supply could have an adverse effect on our business operations.

Particulars	For the Financial Year					
	2024		2023		2022	
	(₹ in millions)	% of total purchases of raw materials	(₹ in millions)	% of total purchases of raw materials	(₹ in millions)	% of total purchases of raw materials
Domestic sourcing	18,331.71	88.11	17,456.85	89.77	21,461.70	88.98
Direct imports	2,473.08	11.89	1,988.80	10.23	2,658.04	11.02

- Fluctuation in financial ratios:** Our EBITDA margin, profit after tax margin, return on equity and return on capital employed have fluctuated significantly during the Financial Years 2024, 2023 and 2022.

Particulars	For the Financial Year			
	2024	2023	2022	
EBITDA margin (%)	3.73	10.38	(1.87)	
Profit after tax margin (%)	0.02	2.64	(6.79)	
Return on equity (%)	0.11	13.52	(40.13)	
Return on capital employed (%)	3.37	24.60	(18.89)	

- Negative Cash Flows:** We have had negative cash flows from investing activities during the Financial Year 2024. Negative cash flows over extended periods, or significant negative cash flows in the short term, could affect our ability to operate our business and implement our growth plans.

Particulars	For the Financial Year			
	2024	2023	2022	
	(₹ in millions)			
Net cash generated from operating activities	4,982.59	1,766.31	318.54	
Net cash (used in) investing activities	(3,304.15)	(3,047.02)	(2,348.22)	
Net cash (used in) / generated from financing activities	(1,080.21)	1,245.40	2,360.40	
Net increase/ (decrease) in cash and cash equivalents	598.23	(35.31)	330.72	

- Regulatory Risk:** We have received various notices from regulatory authorities in India alleging instances of non-compliance, including with respect to certain violations of Companies Act, Employees' Provident Fund and Miscellaneous Provisions Act, 1952, Drugs and Cosmetics Act, 1940 and other applicable law by our Company and Subsidiaries in the past. Failure to defend

these proceedings successfully could have an adverse effect on our business operations and resultant, our financial condition.

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

The revenue contribution of the ten largest clients of our CDMO business for the Financial Years 2024, 2023 and 2022 is ₹12,841.14 million, ₹10,597.55 million and ₹10,982.66 million constituting 39.31%, 38.92% and 41.27% of revenue from operations from CDMO business respectively.

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

Particulars	As of March 31,					
	2024		2023		2022	
	(₹ in millions)	% of total assets	(₹ in millions)	% of total assets	(₹ in millions)	% of total assets
Inventories	6,304.25	17.93	7,297.95	22.34	7,224.48	23.54

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

- Significant capital expenditure requirement:** Our business requires significant capital expenditure. If we are unable to have access to capital, it could have an adverse effect on our business operations. The capital expenditure incurred by us for our CDMO business in Fiscals 2024, 2023 and 2022 is ₹2,994.12 million, ₹2,879.10 million and ₹1,970.12 million respectively.

- Export Risk:** We export our products to regulated and semi-regulated markets and a failure to comply with the regulatory and other requirements of such markets could have an adverse effect on our business operations.

- Operation Risk:** Any slowdown or shutdown in our manufacturing and research and development operations could have an adverse effect on our business operations.

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

- Incurred losses in past:** We have incurred losses in the past and may incur losses in the future.

Particulars	For the Financial Year		
	2024	2023	2022
	(₹ in millions)		
Profit/(loss) for the year	7.90	978.17	(2,508.74)

- Delays in payment of statutory dues:** There have been certain instances of delays in payment of statutory dues by our Company and our Subsidiary in the past. Any failure or delay in payment of such statutory dues may expose us to statutory and regulatory action, as well as significant

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Adaptor